

**Arkansas
Public Service Commission**

1990 Annual Report

1990 ANNUAL REPORT

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Section 1. History of the Commission

Arkansas Public Service Commission

 The Arkansas Public Service Commission (PSC, APSC or Commission) regulates 96 public utilities which provide electric, gas, telecommunication, and water services to Arkansas consumers. These utilities generate annual jurisdictional revenues exceeding \$3 billion.

The PSC was created by the General Assembly, which delegated to the Commission the power to regulate the service and rates of those utilities subject to its jurisdiction. The Commission's primary responsibility is to allow each utility to charge rates which will allow it to earn a fair return on its investment and to likewise ensure that the public does not pay more than necessary to provide a fair return to the utility. The current delegation of legislative authority to the PSC is the product of legislative evolution.

In 1899, acting pursuant to an amendment to Ark. Const. Art. 17, Section 10, the legislature created the Arkansas Railroad Commission. Though relating only to railroads and express companies, the act creating the Railroad Commission charged it with the duty to ensure that rates were just and reasonable. Since then, this has been the cornerstone responsibility of the PSC. Likewise, the duty to file an annual report originated with the 1899 Act, as did the Commission's obligation to hear complaints from the public about rates.

In 1919, the Arkansas Corporation Commission was created as the successor to the Railroad Commission. Its regulatory powers were extended to services and facilities and its jurisdiction

was enlarged to include regulation of telegraph and telephone companies; pipeline companies for the transportation of oil, gas and water; gas companies; electric lighting companies; hydro-electric companies for the generation and transmission of light, heat or power; and water companies, furnishing water. This enlarged jurisdiction was in addition to the transfer of the Corporation Commission's jurisdiction over railroads and express companies. Additionally, the Corporation Commission was given authority over new construction and additions to plant by the requirement that "certificates of convenience and necessity" be obtained for such construction.

In 1921, the Corporation Commission was abolished and the Railroad Commission was recreated. In the process, the Corporation Commission's original jurisdiction over utilities operating within the limits of any municipality was removed and that regulatory jurisdiction was placed with the municipalities.

In 1933, the Arkansas Corporation Commission was reestablished. The Commission was vested with the powers of several other commissions which were abolished, including the Railroad Commission.

A comprehensive 1935 Act created the Department of Public Utilities within the Arkansas Corporation Commission. The Corporation Commission's powers over utilities were transferred to the Department. Since the adoption of this Act, regulated utilities have paid an annual fee based on gross earnings to finance the PSC's operations. The 1935 Act gave the

Section 1. History of the Commission

Department and municipalities concurrent and original jurisdiction over public utilities operating within the limits of a municipality. Municipalities were also authorized to extend service into contiguous rural territory and to set rates for such service subject to the Department's approval.

In 1937, electric cooperatives were exempted from Department jurisdiction in all respects except one. The cooperatives were still required to obtain a certificate of convenience and necessity from the Department before constructing or operating any equipment or facilities for supplying electric service in rural areas.

In 1945, the Arkansas Corporation Commission was renamed the Arkansas Public Service Commission. The new Commission was vested with the authority and powers of the Corporation Commission and the Department of Public Utilities, which were abolished.

In 1951, telephone cooperatives were made subject to PSC regulation to the same extent as telephone companies. Allocated territories for telephone companies were also established by reference to then existing service areas. Similarly, in 1957, the legislature provided explicit protection for territories allocated to electric cooperatives pursuant to a certificate of convenience and necessity.

Also in 1957, the powers and duties of the Arkansas Public Service Commission, with respect to transportation by air, rail, water, carrier pipe lines, and motor carriers, were transferred to the Arkansas Commerce Commission, which in 1971 was renamed the Arkansas Transporta-

tion Commission. Since this separation, the PSC's activities have primarily been limited to regulating jurisdictional public utilities. That jurisdiction has been subsequently altered at various times by the legislature.

In 1967, the legislature made electric cooperatives subject to PSC regulation in the same manner as public utilities. The legislature also provided for allocation of territories for electric public utilities, just as it had earlier provided allocated territories for electric cooperatives. Twenty years later, in 1987, the legislature reduced PSC jurisdiction over rural electric distribution cooperatives by providing that such cooperatives are not subject to PSC rate case procedures, except under certain circumstances.

In the 1971 reorganization of state government, the Arkansas Public Service Commission was transferred to the Department of Commerce and located in the Division of Utilities and Transportation. The PSC retained its powers, authorities, duties and functions. However, its budgeting, purchasing and related management functions were placed under the supervision of the Director of the Department of Commerce.

In 1977, except for municipally-owned or operated utilities, the General Assembly restored exclusive ratemaking jurisdiction to the PSC. In 1985, this municipal exemption from PSC regulation was extended to electric service supplied by a municipality to a contiguous rural territory. Consequently, with the exception of the Commission's authority under the Arkansas Natural Gas Pipeline Safety Act of 1971 to promulgate and enforce compliance with minimum safety

Section 1. History of the Commission

standards for the transportation of gas and pipeline facilities, the PSC does not have any jurisdiction over utilities owned or operated by municipalities.

In 1983, the Department of Commerce was abolished. The Arkansas Public Service Commission was restored to its status as an independent state agency, authorized to function as it had prior to its 1971 transfer to the Department of Commerce.

In 1987, small water and sewer utilities were removed from the Arkansas Public Service Commission's jurisdiction. However, in 1988 and 1989 the legislature provided exceptions. Under certain circumstances, the exceptions allow either the customers of the company or the company itself to petition the Commission to exercise regulatory jurisdiction over that particular small water and sewer utility.

Section 2. Agency Organization

A. Position Summary

The Arkansas Public Service Commission consists of three Commissioners appointed by the Governor for overlapping six-year terms. The agency also has 170 regular staff positions divided into three Divisions: The Utilities Division, the Assessment Coordination Division, and the Tax Division.

The Commissioners have oversight responsibility for all three Divisions, but spend a majority of their time dealing with utility issues. This report will be limited to a discussion of Utilities Division activities. The Tax and Assessment

Coordination Divisions submit separate Annual Reports.

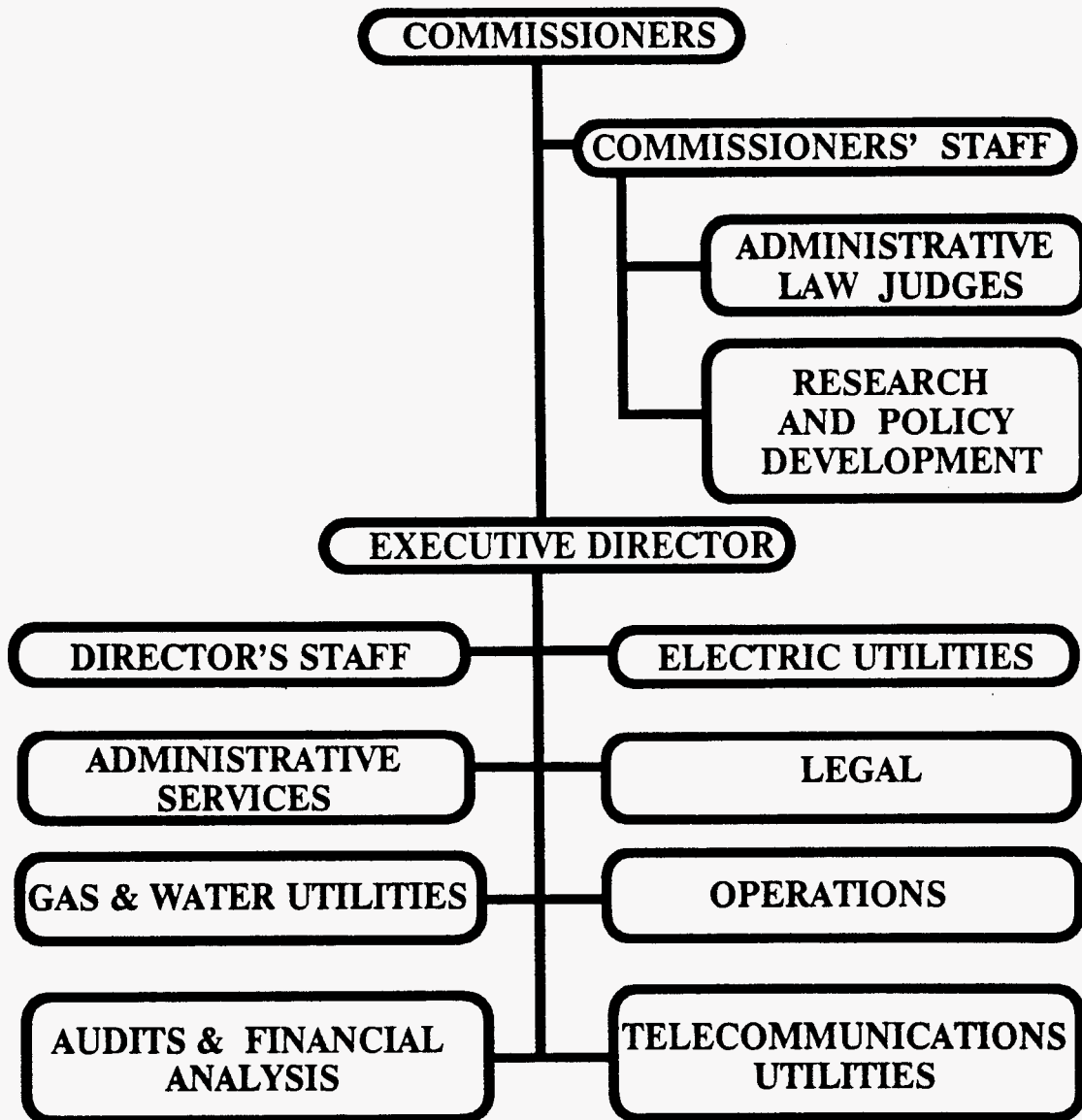
The Utilities Division, including our federally reimbursed Pipeline Safety Program, has 114 authorized regular positions. This total includes the Commissioners and their immediate staff, which includes the Research and Policy Development Section; the PSC Director; and the eight General Staff Sections. A list of all Sections, their assigned positions, and an organizational chart are included below:

Organizational Component	Number of Positions
Commissioners	3
Commissioners' Staff	
Administrative Law Judges	4
Research and Policy Development	10
Commissioners' Support Staff	7
PSC General Staff	
PSC Director's Office	4
Administrative Services	16
Gas and Water Utilities	7
Electric Utilities	7
Telecommunication Utilities	7
Audits and Financial Analysis	20
Legal	12
Operations	17
TOTAL	114

Section 2. Agency Organization

B. Organizational Chart

Arkansas Public Service Commission Utilities Division



Section 2. Agency Organization

C. Section Responsibilities

COMMISSIONERS

The Commissioners function as a quasi-legislative body, with quasi-judicial authority. In that capacity, they render decisions and develop orders for implementing those decisions. The decisions cover a wide spectrum of issues including policy matters, rates, tariffs, territory allocations, utility plant construction sitings, bond issues, assessment protests in opposition to Tax Division determinations, and equalization of property tax assessments by local Equalization Boards.

The Commissioners' Staff, under the direction of the Chief Administrative Law Judge, is comprised of two sections: the Administrative Law Judge Section and the Research and Policy Development Section. Responsibilities of each section are described below.

Administrative Law Judge Section. This Section is comprised of Administrative Law Judges and attorneys. The Administrative Law Judges render decisions and develop orders in dockets delegated to them by order of the Commission. Personnel in this Section also advise and represent the Commission on various legal matters and perform legal research for the benefit of the Commission.

Research and Policy Development Section. This Section, under the direction of the Director of Research and Policy Development, is the technical arm of the Commission Staff, with personnel specializing in the telecommunications,

electric, and natural gas industries, as well as in economic and accounting matters. This Section is responsible for filings before federal agencies, developing regulatory policies for the Commission, and providing technical advice to the Commissioners on matters before the Commission. The Section is organized into the following areas:

The Telecommunications Area. This area monitors significant regulatory and legislative telecommunications events at the national, regional, and state levels. In particular, this area files testimony or comments at the Federal Communications Commission on major policy issues that could significantly impact Arkansas ratepayers.

The Natural Gas Policy Area. This area monitors significant regulatory and legislative natural gas events at the national, regional, and state levels. In particular, this area files testimony or comments at the Federal Energy Regulatory Commission on major policy issues that could significantly impact Arkansas ratepayers.

The Electric Policy Area. This area monitors significant regulatory and legislative events in the electric utility industry occurring at national, regional, and state levels. In particular, this area files testimony or comments at the Federal Energy Regulatory Commission on major policy issues that could significantly impact Arkansas ratepayers.

Section 2. Agency Organization

GENERAL STAFF

Office of the Director

The PSC Director is responsible for the overall management of the Utilities Division. Staff members in the Division perform a wide variety of responsibilities which are accomplished through the seven Sections described below.

In addition, Staff members assigned to the Director's area administer the Docket Tracking System, produce annual reports, and develop publications and presentations for a variety of education and outreach activities.

Administrative Services

Staff members assigned to the Administrative Services Section provide administrative support for the Utilities Division. The Section is comprised of four units - the Fiscal/Personnel Office, the Mail/Supply/Copy Center, the Office of the Secretary of the Commission, and the Data Processing Staff. Responsibilities assigned to each area are outlined below.

Fiscal/Personnel Office. Staff members in this area prepare initial budgets; handle purchasing, accounting, inventory control and payroll; and assist in developing assessments for the PSC's operating budget. This Office is also responsible for administering the Federal Department of Transportation Pipeline Safety Grant.

Maintaining personnel records, screening and processing job applicants, conducting new employee orientation, and coordinating employee training and management classes are other functions performed by this Office.

Mail/Supply/Copy Center. This area handles internal mail distribution, photocopying, and maintenance of the agency vehicle fleet.

Office of the Secretary of the Commission. All documents filed before the Commission and all orders issued by the Commission are processed by this Office. Official Commission records such as docket files, tariffs, and annual reports are also maintained in this area.

Data Processing Staff. The Data Processing Staff maintains computer hardware and software for rate cases, provides administrative and research support, and handles general office automation. New application development, adaptation of data and systems from other computer facilities, and training are other responsibilities assigned to this area. Currently, a Data General MV/10000 computer is used to handle in-house data and word processing. Portable microcomputers are provided for field audits.

Legal

Legal Section attorneys perform a dual function at the Commission. The attorneys represent the Staff in proceedings before the Commission and represent the Commission in matters and proceedings outside the Commission.

In representing the Staff, Legal Section attorneys assist in the identification and development of issues and the preparation of testimony; provide counsel and advice; assist in negotiations; conduct cross-examination and present argument in hearings; and prepare and file briefs, as well as any necessary motions or other pleadings. Additionally,

Section 2. Agency Organization

on behalf of the Staff, Legal Section attorneys provide information to representatives of other agencies, regulated utilities and members of the public.

Staff attorneys also represent the Commission in appellate cases, state courts, and proceedings before federal agencies and courts. Other responsibilities performed by attorneys assigned to this Section include interpreting state and federal statutes and regulations affecting the Commission; acting as hearing officers in certain dockets; and conducting legal research as directed by the Commission. Further, Legal Section attorneys provide legal advice and counsel and make recommendations to the Commission regarding proposed legislation and regulations.

Utility Industry Sections

There are three Sections that handle industry specific issues and cases: (1) the Electric Section; (2) the Natural Gas and Water Section; and, (3) the Telecommunications Section. Responsibilities which are common to all three Sections are explained below:

Rate Applications. Upon the filing of a rate application, the respective industry Staff, with participation and assistance from other sections, functions as a rate case team. Each individual team member is assigned issues relating to his or her expertise.

Through extensive review, auditing, and analyses of rate applications, filings, and financial and operational information, the rate case team develops a Staff position and recommends a revenue requirement. Staff's recommendations are presented to the Commission through

pre-filed expert testimony. After testimony is filed, Staff and the utility formally present their cases through oral testimony and cross-examination of witnesses during a public hearing.

Tariff Filings. Tariff filings are characterized by specific changes, additions, or deletions to utility rates or services which do not entail a general rate change. These filings do not substantially impact the general body of ratepayers or the revenues received by a utility.

Although much narrower in focus than a rate application, a tariff filing may require extensive analysis and review and always requires the preparation and filing of expert testimony by Staff. If necessary, a public hearing is held with Staff and the utility presenting their cases before the Commission.

Other Significant Filings. The Industry Sections are also responsible for other significant filings. Those include Certificates of Convenience and Necessity, Certificates of Environmental Compatibility and Public Need, Complaints requiring technical or industry expertise, and all generic proceedings. Each proceeding requires an investigation or the filing of testimony by Staff.

Other Responsibilities. In addition to processing the various filings by utilities, the Industry Sections are responsible for monitoring the activities, operations, and earnings of all jurisdictional utilities. Competition, deregulation, national policies, the threat of federal preemption, and new technologies all continue to affect utility regulation.

Section 2. Agency Organization

Electric Industry Section

Electric Section responsibilities cover all aspects of utility regulation. Those areas include rate design, accounting, finance, and engineering. Each member of the Section identifies issues, analyzes the impact of those issues on the utility and the ratepayer, and develops and presents expert testimony before the Commission. This group also conducts investigations; performs special project analyses; and regularly monitors the activities, operations, and earnings of the four investor-owned and nineteen cooperative electric utilities.

Electric Staff members analyzed and filed testimony in 17 tariff Dockets during 1990. Six of the Dockets involved special rate agreements. Those agreements included five interruptible rate contracts, one economic development rate contract, and one cogeneration deferral contract. Other issues addressed included changes in rate structure; revisions to cost of debt adjustment clauses; extension of service; and updates to AP&L's Grand Gulf and Nuclear Decommissioning Riders. During 1990, Staff members also analyzed, filed testimony, and participated in hearings on three Certificate of Convenience and Necessity Applications for approval to construct transmission facilities.

As the result of a formal complaint, the Electric Staff conducted an investigation of the level of rates, observed voting procedures, and reviewed the practices of the Board of Directors of a distribution cooperative. The Staff filed prepared testimony and presented its case at a hearing before the Commission.

The Electric Staff compiled data and developed a computer model to monitor the earnings (Times Interest Earned Ratio) of the eighteen electric cooperatives regulated by the Commission and a model to evaluate AP&L's revenue requirement. In addition, historical load data was compiled from a survey of the electric cooperatives to construct normalized kilowatt and kilowatt hour levels using a weatherization model. Other special projects included an analysis of AP&L's consumer loan program and its practices regarding past due accounts receivable balances. This group was involved in the development and analysis of proposed revisions to the General Service Rules and the Special Rules - Electricity.

Finally, in response to competitive pressures in the electric industry and the excess capacity condition of some Arkansas utilities, the Electric Staff considered proposed remedies designed to expand, retain, or acquire electric loads when the action was found to be in the public interest. Special rate contracts which addressed such issues as cogeneration deferral, load retention, interruptible rates, economic development, and other competitive rates are examples of remedies proposed by electric utilities and analyzed by the Staff during the year.

Natural Gas and Water Industry Section

The Natural Gas and Water Industry Section includes an audit supervisor, an auditor, and a rate analyst, all under the direction of the Natural Gas and Water Manager. In contrast to the quality of service or consumer information issues addressed by other sections within the

Section 2. Agency Organization

Commission, the Natural Gas and Water Staff primarily focuses on financial and rate matters concerning natural gas and water utilities. This Staff must understand and evaluate the complex rate structures and earnings requirements of the six natural gas and three water utilities under the Commission's jurisdiction. With regard to the natural gas utilities, those responsibilities have been dramatically complicated and increased due to federal regulation and the resulting introduction of competition.

In response to the competition prevalent in the natural gas industry, the Natural Gas and Water Staff analyzed and filed testimony recommending specific actions for over 130 transportation filings. Each filing required an evaluation of the economic feasibility of utilizing alternative fuels for industrial and commercial customers.

Further, competition within the industry gave rise to a proposed intrastate natural gas pipeline that will provide transportation service only. Staff members conducted in-depth reviews of the application for certification during 1989 and the application for rate determination during 1990.

Staff members also participated in two rate filings during the year - one for a major local gas distribution company and one for a major local water distribution company.

Finally, the Staff reviewed the purchase of one local gas distribution company's assets by another Arkansas local gas distribution company. Several requests from local gas distribution companies for approval to extend service

into new areas were also reviewed during 1990.

Telecommunications Industry Section

The Telecommunications Industry Section processed numerous filings during 1990. Additionally, the Telecommunications Staff continuously interacts with the twenty-eight local exchange carriers, fifteen interexchange carriers, and eighteen cellular mobile companies under the Commission's jurisdiction. This interaction is necessary to be responsive to a rapidly changing environment which includes the frequent introduction of new services and the impact of federal regulation on Arkansas rates.

The Telecommunications Staff is comprised of an audit supervisor, two rate analysts and an engineer under the direction of the Telecommunications Manager. This Section is responsible for addressing industry specific rate, financial, and accounting matters. During 1990, one hundred-eight tariff filings were processed in addition to the other filings for which this group is responsible. Among the other dockets processed by the Telecommunications Staff were the granting of permanent CCN's to interexchange carriers and cellular carriers in response to the finalization of the Competitive Carrier Rules. The Telecommunications Staff was also involved in planning and organizing major revisions to the Special Rules - Telecommunications, and the Commission's General Service Rules.

Section 2. Agency Organization

Audits and Financial Analysis

The Audits and Financial Analysis Section participates in all rate case proceedings and handles all financing and capital recovery dockets. Section Staff members conduct extensive review, auditing, and analyses of rate case applications as well as ongoing reviews of the earnings levels of public utilities; evaluate transactions between regulated utility companies and their affiliates; conduct compliance audits on an ongoing basis; continually assess the business and financial risk of utilities; and analyze utility capital recovery rates. The Section is comprised of five functional groups - Audits, Management Audits, Compliance Audits, Finance, and Capital Recovery - and assigned the responsibilities described below.

The Audits Staff is a newly-created group which will specialize in performing audits of public utilities in the context of general rate case proceedings and conducting ongoing reviews of the earning levels of jurisdictional utilities. Through extensive review, auditing, and analysis of rate case applications and other financial information, these auditors will develop a Staff position on accounting issues and recommend a revenue requirement with participation and assistance from other Staff members. The Audits Staff, as well as Staff members from the Audits and Financial Analysis Section, will present their recommendations to the Commission in the form of written and/or oral expert testimony. This testimony is subject to cross-examination during a public hearing.

The Audits Staff is currently developing a comprehensive training program for entry-level auditors. An

extensive policies and procedures manual is being compiled which will provide guidelines for auditing utility company revenues, expenses, and investments and will set forth the Staff's position on the proper ratemaking treatment of various accounting issues.

The Management Audits Staff was primarily involved during 1990 in the review of transactions between regulated public utilities and their affiliated companies. Management Audits Staff analyzed the affiliate charges which three utilities sought to recover from Arkansas ratepayers in the context of a general rate case proceeding and made recommendations to the Commission regarding the appropriateness of the charges.

The proposed consolidation of the management and operation of Entergy Power, Inc.'s nuclear units under a nuclear management company was also evaluated. The Staff recommended that the Commission condition its approval of the proposed consolidation on the performance of an independent audit of the savings. The Staff issued its request for proposal for a consultant who will perform the audit and is in the process of reviewing those proposals. The Staff will monitor and control the audit which is scheduled to begin in 1991.

The Compliance Audits Staff investigates utility costs subject to adjustment clauses. Compliance audits ensure that adjustment amounts and their recovery are in compliance with approved company tariffs. The investigations include the following:

- * cost of fuel adjustment for the four privately owned electric utilities;

Section 2. Agency Organization

- * cost of energy adjustment for the generation and transmission electric cooperatives;
- * cost of purchased power adjustment for seventeen electric distribution cooperatives;
- * cost of debt adjustment for eighteen electric distribution cooperatives;
- * cost of gas adjustment for six gas distribution companies;
- * cost of pumping adjustment for one water company; and
- * municipal franchise tax adjustments for utilities with adjustment clauses.

Compliance audits are performed on a continuous basis. Each of the utilities with automatic adjustment clauses is audited approximately every twenty-four months. Compliance audits are also performed as needed to ensure that customer refunds are accomplished in accordance with Commission directives.

The Finance Staff performs various economic and financial analyses, most specifically, the determination of the required rate of return for jurisdictional utilities. Staff members examine utility rate of return requests in the context of general rate case proceedings. In particular, investigations cover appropriate cost of debt, cost of preferred stock, cost of common equity, and capital structure. This unit also evaluates utility financing applications such as sale-leaseback arrangements, debt and equity issuances, acquisitions, and other capital requirement issues.

The Capital Recovery Staff develops depreciation rates and addresses capital

recovery issues for jurisdictional utilities. Capital recovery issues and rates are addressed in the context of general rate case proceedings, applications for revisions in depreciation rates, rule-making dockets, and requests for extraordinary property loss treatment.

This group also continuously reviews the parameters used in determining appropriate depreciation rates. Parameters include the proper service life for all depreciable plant assets, appropriate depreciation methodologies, projected salvage values for assets upon retirement or disposition, and accumulated depreciation reserve levels. The determination of proper parameters involves extensive statistical analyses of utility financial information, modernization and retirement plans, industry standards, and state and federal regulatory precedents.

Operations

The Operations Section evaluates utility companies' performance to ensure compliance with Commission orders and standards. Those standards are spelled out in the Commission's Special Rules - Telecommunications, Special Rules - Electricity, Special Rules - Gas, Special Rules - Water, Arkansas Gas Pipeline Safety Code, and General Service Rules. Three functional units, which are assigned the responsibilities described below, make up the Operations Section:

The Quality of Service Staff ensures that ratepayers receive safe, adequate, and continuous service as required by the Commission's General Service Rules, Special Rules - Telecommunications, Special Rules - Electricity, and Special Rules - Water. This goal is accomplished through inspections and evaluations of

Section 2. Agency Organization

utility facilities and procedures. Consumer complaints requiring technical evaluation are investigated and periodic inspections are performed to ensure compliance with Commission standards. Thirty telephone companies with over 400 local exchanges, 31 competitive interexchange carriers and cellular providers, 22 electric companies, and 3 water companies are involved. Staff members also participate in rate cases, territory allocation proceedings, and other cases before the Commission which involve quality of service issues.

The Gas Pipeline Safety Staff ensures operator compliance with the Arkansas Gas Pipeline Safety Code and the Special Rules- Gas. Periodic inspections of safety, corrosion, and leakage control are performed on 21 intra-state natural gas operators and 419 master-metered gas systems. This group investigates natural gas related accidents and reviews and evaluates applications for Certificates of Convenience and Necessity. Staff members also develop Arkansas Gas Pipeline

Safety Code standards and work closely with the Federal Department of Transportation to ensure that Arkansas requirements comprehend federal regulations.

The Consumer Services Staff handles customer questions and complaints about regulated utilities. Those questions and complaints concern utility rates and service and are brought to Consumer Services in person, by telephone, and by letter.

Consumer Services Staff members review all complaints for compliance with PSC Rules and approved utility tariffs and act as liaisons with the utilities in resolving those complaints. In many cases, Staff investigations are required.

Consumer Services personnel are also responsive to requests for information by providing educational material and group presentations. Brochures available through Consumer Services explain customer rights and responsibilities, complaint procedures, public hearings, and rate cases.

Section 3. Types of Proceedings

The Arkansas Public Service Commission regulates public utilities generally within nine different types of proceedings. Additionally, the Commission can investigate various aspects of a utility's activities on its own motion. Each new case that is filed is assigned a number and then becomes a docket.

Rate Case Dockets involve general changes to a utility's rates.

Tariff Dockets deal with minor changes in rates, service, and company rules and regulations.

Certificate Of Convenience And Necessity Dockets (CCN) are applications by a utility for permission to construct or make substantial changes to its utility plant. For example, this includes building transmission lines for electric or natural gas companies. CCN dockets also generally define the scope of a utility's license to operate.

Certificate Of Environmental Compatibility and Public Need Dockets are similar to CCN dockets but authorize construction of a major utility facility which requires an Environmental Impact Statement.

Complaint Dockets result when: (1) any entity or person complains in writing to the Commission about an alleged violation of any order, law or regulation which the Commission has jurisdiction to administer; or, (2) when any consumer or prospective consumer complains in writing to the Commission with respect to the service, furnishing of service, or any discrimination with respect to service or rates.

Capital Recovery Dockets analyze applications filed by the utility companies requesting a change in depreciation rates charged to utility plant investment.

Financing Dockets deal with applications by utilities to obtain additional financing from sources such as stocks and bonds.

Rules Dockets consider changes to Commission rules, regulations or procedures.

Administrative Dockets usually deal with service area boundary changes and customer releases. On occasion, however, generic changes in PSC policy and interpretation of statutes and court rulings are handled in administrative dockets.

Section 4. Orders Issued in 1990

Summary Schedule of Orders Issued In 1990

ORDER TYPE	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
ELECTRIC	9	14	11	20	14	15	8	19	10	15	16	14	165
GAS	9	8	15	15	15	15	15	21	13	20	5	7	158
TELEPHONE	67	30	56	31	39	40	61	58	64	92	28	61	627
WATER	0	1	0	4	1	3	3	4	1	2	3	2	24
SEWER	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHERS	3	2	0	0	1	0	0	0	0	5	2	4	17
TOTAL	88	55	82	70	70	73	87	102	88	134	54	88	991

Total Orders Issued For This Period: 991

Section 5. Jurisdictional Utilities

During 1990, the Commission carried out its statutory obligation to review and regulate the rates and practices of utility companies. The 96 utilities under the Commission's jurisdiction in 1990 are listed below:

Investor-Owned Electric Companies	4
Electric Cooperatives	19
Investor-Owned Gas Companies	6
Water Companies	2
Telephone Companies	30
Competitive Interexchange Carriers, Resellers and Cellular Providers	35
TOTAL	96

Investor-Owned Electric Companies

- Arkansas Power & Light Company
- Empire District Electric Company
- Oklahoma Gas & Electric Company
- Southwestern Electric Power Company

Electric Cooperatives

- Arkansas Electric Cooperative Corporation
- Arkansas Valley Electric Cooperative Corporation
- Ashley-Chicot Electric Cooperative, Inc.
- C & L Electric Cooperative
- Carroll Electric Cooperative Corporation
- Clay County Electric Cooperative Corporation
- Craighead Electric Cooperative Corporation
- Farmers Electric Cooperative Corporation
- First Electric Cooperative Corporation
- Mississippi County Electric Cooperative, Inc.

Section 5. Jurisdictional Utilities

Electric Cooperatives (Cont'd)

North Arkansas Electric Cooperative, Inc.
Ouachita Electric Cooperative Corporation
Ozarks Electric Cooperative Corporation
Petit Jean Electric Cooperative Corporation
Riceland Electric Cooperative, Inc.
Rich Mountain Electric Cooperative, Inc.
South Central Arkansas Electric Cooperative, Inc.
Southwest Arkansas Electric Cooperative Corporation
Woodruff Electric Cooperative Corporation

Investor-Owned Gas Companies

Arkansas Louisiana Gas Company
Arkansas Oklahoma Gas Corporation
Arkansas Western Gas Company and its Division,
 Associated Natural Gas Company
Louisiana-Nevada Transit
Mansfield Gas, Inc.
Union Gas Company of Arkansas, Inc. (The)

Water Companies

General Waterworks Corporation of Pine Bluff
Shumaker Public Service Corporation

Telephone Companies

ALLTEL Arkansas, Inc.
Arkansas Telephone Company, Inc.
Caddoan Telephone Company
Central Arkansas Telephone Cooperative
Cleveland County Telephone Company
Contel of Arkansas

Section 5. Jurisdictional Utilities

Telephone Companies (Cont'd)

Contel of Missouri
Contel of Kansas
Decatur Telephone Company, Inc.
E. Ritter Telephone Company
General Telephone Company of the Southwest
Lavaca Telephone Company
Liberty Telephone and Communications Company
Madison County Telephone Company
Magazine Telephone Company
Mountain Home Telephone Company
Mountain View Telephone Company
Northern Arkansas Telephone Company
Perco Telephone Company
Prairie Grove Telephone Company
Redfield Telephone Company
Rice Belt Telephone Company
South Arkansas Telephone Company
Southwest Arkansas Telephone Cooperative
Southwestern Bell Telephone Company
Tri-County Telephone Company
Union Telephone Company
Walnut Hill Telephone Company
Yelcot Telephone Company
Yell County Telephone Company

Competitive Interexchange Carriers, Resellers and Cellular Providers

Advanced Telecommunications Corporation
ALLTEL Cellular Associates of Arkansas
ALLTEL Cellular Associates of Arkansas - Pine Bluff
ALLTEL Central Arkansas Cellular Limited Partnership
AT&T Communications of the Southwest
Call America

Section 5. Jurisdictional Utilities

Competitive Interexchange Carriers, Resellers and Cellular Providers (Cont'd)

Century Cellunet of Texarkana, Inc.
C.I.S. of Pine Bluff
Compute-a-Call of Arkansas
Communigroup, Inc.
Comtel of Hot Springs (Loyd Communications)
Discount Communications Service
Econo-Line
Fayetteville MSA Limited Partnership
Fort Smith Cellular, Inc.
Fort Smith MSA Limited Partnership
GTE Mobilnet Sales Corporation of Fayetteville,
Fort Smith, Pine Bluff and Texarkana
J-Net Communications, Inc.
LDDS of Arkansas, Inc.
Long Distance Connection of North Arkansas
Long Distance of Searcy, Inc.
Matrix Telecom
McCaw Communications of Fayetteville, Inc.
McCaw Communications of Little Rock, Inc.
MCI Telecommunications Corporation, Southwest Division
Mobile Telecommunications Technologies Corporation
Pine Bluff Cellular Services, Inc.
Rogers Building Management, Inc.
Snider Communications Corp.
Southwestern Bell Cellular Radio Carrier
Telemarketing Communications of Arkansas
Texarkana Cellular Partnership
TRI-J Enterprises
Your Long Distance Connection
US Sprint Communications Company, Southwest Division

Section 6. Gas Industry Summary

A. Highlights of 1990

During 1990, a major issue before the Commission was the investigation into the purchasing practices of the largest local gas distribution company in the state of Arkansas. That investigation will continue well into 1991.

Also in 1990, the Staff investigated and proposed rates for a new intrastate gas transmission line that will provide transportation service only. The transmission line will connect the gas-rich fields in western Arkansas with local gas distribution companies in eastern Arkansas. The line will also provide service to communities without natural gas service in northern Arkansas.

1990 also included a request by the second major gas utility for a rate increase. Staff investigated this request and presented its findings to the Commission. Ultimately, an agreement was reached between Staff and the utility which

recommended significantly lower rates than those originally proposed.

Several local gas distribution companies made requests for approval to extend service during the year. Staff's recommendations helped bring gas service to areas not currently receiving service.

In 1990, Staff also investigated and recommended approval of the acquisition of assets of one local gas distribution company by another local gas distribution company. The acquisition should ensure a long-term, reliable gas supply to the customers of the company whose assets were acquired.

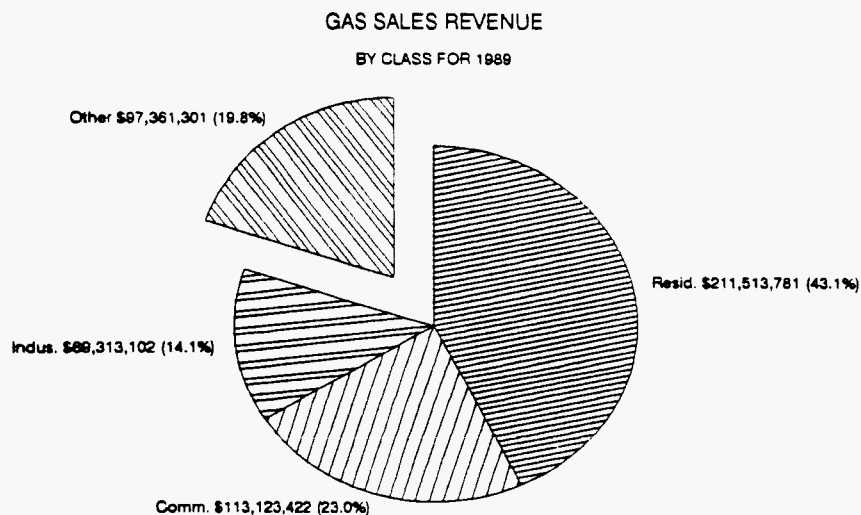
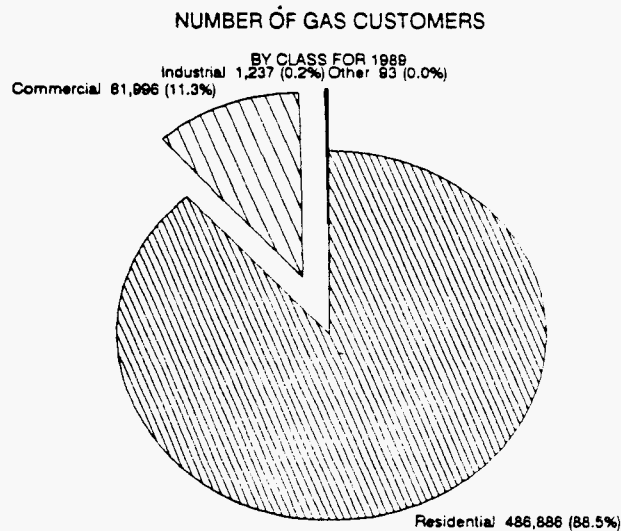
Finally, Staff worked with a local gas distribution company to change its transportation program. The changes significantly streamlined the transportation process to the benefit of the transportation customers.

Section 6. Gas Industry Summary

B. Gas Customers and Sales Revenues by Class

The following charts show: (1) the percentage of jurisdictional residential, commercial, industrial, and other customers; and (2) the corresponding percentage of residential sales revenues, commercial sales revenues, industrial sales revenues and other sales revenues. As can be seen by comparing the two graphs, residential customers repre-

sent over 88% of all customers, while revenues for these customers only represent a little more than 43% of all revenues. In contrast, commercial and industrial sales customers represent a little more than 11% and less than 1% of total customers respectively, while their sales revenues account for 23% and 14% of total revenues respectively.

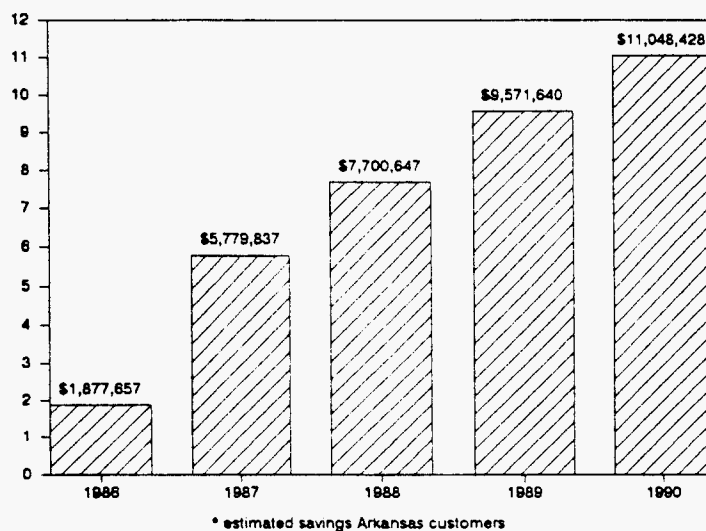


Section 6. Gas Industry Summary

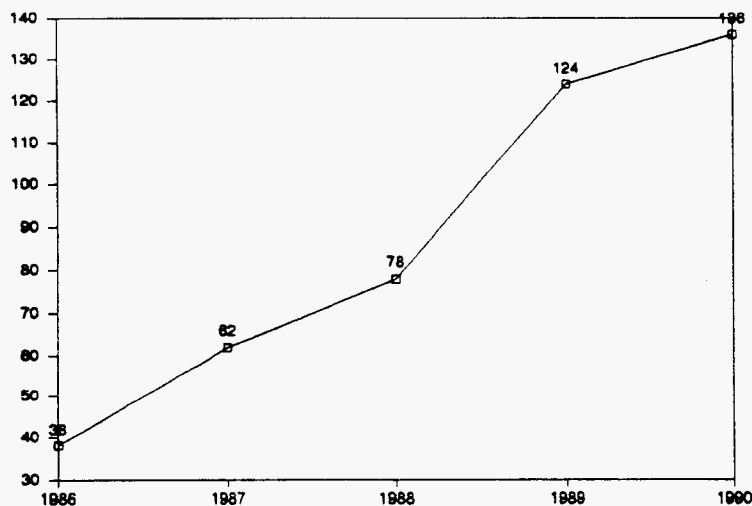
C. Gas Transportation Savings and Filings

The following graphs represent: (1) the dramatic savings that have been achieved by customers using Arkansas transportation programs; and (2) the increase in filing activity caused by the programs. The increased activity has caused a correspondingly dramatic increase in the amount of time necessary to review such filings.

GAS TRANSPORTATION SAVINGS *



GAS TRANSPORTATION FILINGS



Section 6. Gas Industry Summary

D. Statistical Summaries for Gas

GAS COMPANIES - ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1989

COMPANY	PLANT INVESTMENT	OPERATING REVENUE	RATIO (%) GROSS REV /INVEST
Arkla Gas Co.	\$511,822,804.00	\$363,802,809.00	71.08%
Arkansas Oklahoma Gas Corp.	36,905,981.00	36,495,231.00	98.89
Arkansas Western Gas Co.	104,872,329.00	85,728,061.00	81.75
Louisiana-Nevada Transit Co.	1,976,859.00	4,144,911.00	209.67
Mansfield Gas, Inc.	675,057.00	243,126.00	36.02
Union Gas Company Of Ark.	<u>672,720.00</u>	<u>897,468.00</u>	<u>133.41</u>
TOTALS	\$656,925,750.00	\$491,311,606.00	74.79%

Section 6. Gas Industry Summary

GAS COMPANIES - ARKANSAS ONLY CUSTOMERS; MCF SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	MCF SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE MCF PER CUSTOMER
ARKANSAS LOUISIANA GAS COMPANY					
RESIDENTIAL	360,270	31,839,802	\$161,045,904	\$447	88
COMMERCIAL	44,304	17,688,667	\$81,911,501	\$1,849	399
INDUSTRIAL	854	7,067,593	\$28,466,169	\$33,333	8,276
OTHER	5	2,626,328	\$92,379,235	\$18,475,847	525,266
TOTAL	405,433	59,222,390	\$363,802,809	\$897	146

ARKANSAS OKLAHOMA GAS CORPORATION

RESIDENTIAL	34,408	3,348,880	\$12,034,623	\$350	97
COMMERCIAL	4,645	2,601,302	\$8,613,689	\$1,854	560
INDUSTRIAL	53	5,052,115	\$13,418,547	\$253,180	95,323
OTHER	10	313,580	\$2,428,372	\$242,837	31,358
TOTAL	39,116	11,315,877	\$36,495,231	\$933	289

ARKANSAS WESTERN GAS COMPANY

RESIDENTIAL	88,242	8,091,870	\$37,116,433	\$421	92
COMMERCIAL	12,559	5,219,730	\$21,812,617	\$1,737	416
INDUSTRIAL	327	8,052,868	\$24,303,177	\$74,322	24,627
OTHER	64	15,736	\$2,495,834	\$38,997	246
TOTAL	101,192	21,380,204	\$85,728,061	\$847	211

Section 6. Gas Industry Summary

GAS COMPANIES - ARKANSAS ONLY CUSTOMERS; MCF SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	MCF SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE MCF PER CUSTOMER
LOUISIANA-NEVADA TRANSIT					
RESIDENTIAL	1,458	106,303	\$536,346	\$368	73
COMMERCIAL	140	178,802	\$444,803	\$3,177	1,277
INDUSTRIAL	3	1,655,748	\$3,125,209	\$1,041,736	551,916
OTHER	4	170	\$38,553	\$9,638	43
TOTAL	1,605	1,941,023	\$4,144,911	\$2,582	1,209
MANSFIELD GAS, INC.					
RESIDENTIAL	615	38,173	\$181,276	295	62
COMMERCIAL	64	16,514	\$59,728	\$933	258
INDUSTRIAL	0	0	\$0	\$0	0
OTHER	0	0	\$2,122	\$0	0
TOTAL	679	54,687	\$243,126	358	81
UNION GAS COMPANY OF ARKANSAS					
RESIDENTIAL	1,893	153,956	\$599,199	\$317	81
COMMERCIAL	284	78,801	\$281,084	\$990	277
INDUSTRIAL	0	0	\$0	\$0	0
OTHER	10	5,038	\$17,185	\$1,719	504
	2,187	237,795	\$897,468	\$410	109
TOTALS	550,212	94,151,976	\$491,311,606	\$893	171

Section 6. Gas Industry Summary

E. Gas Docket Activity Summary

1. COMMISSION DOCKETS

U Dockets

87-086-U

Arkansas Louisiana Gas Company

In this Docket, Arkansas Louisiana Gas Company (ALG) requested approval for transportation service on an individual customer basis. For the year ended December 31, 1989, 136 new and renewal affidavits were filed. By using transportation service instead of sales service, qualifying customers of ALG saved an estimated \$11,048,428.

88-121-U

Texas Gas Transmission Corporation

The Commission instigated a Show Cause Order upon Texas Gas Transmission Corporation stating that a Certificate of Environmental Compatibility and Public Need (CECPN) should be filed. Texas Gas replied that they are not under this Commission's jurisdiction. Texas Gas wished to serve a customer being served by a utility regulated by this Commission. On November 28, 1989, Arkansas Gas Consumers filed a Petition to Intervene. The Petition was later granted. This Docket is awaiting oral testimony.

88-201-U

Associated Natural Gas Company

This Docket deals with Staff's December 12, 1988, Motion for the Issuance

of a Show Cause Order. The issue was unauthorized charges in the purchased gas adjustment clause of Associated Natural Gas Company (ANG), a division of Arkansas Western Gas Company (AWG). Staff filed testimony urging the Commission to order the utility to: 1) cease its practice of charging ratepayers under its ANG Purchased Gas Adjustment clause for the use of AWG's facilities; and, 2) refund amounts collected under this practice. Order No. 2, dated August 3, 1990, denied Staff's motion for the Issuance of a Show Cause Order and directed the Secretary of the Commission to close the Docket.

89-203-U

NOARK Pipeline System

On October 24, 1989, NOARK Pipeline System (NOARK) filed an Application seeking: 1) Commission approval of the organization of NOARK as a public utility; 2) a Certificate of Environmental Compatibility and Public Need (CECPN) to construct, operate and maintain a natural gas pipeline; 3) Commission approval for the establishment of just and reasonable rates; and, 4) the submission of a plan for the inspection and maintenance of the NOARK pipeline. NOARK proposed to transport natural gas from the Arkansas portion of the Arkoma Basin to Northeast Arkansas.

By Commission Order No. 4, a separate hearing was set for April 3, 1990, for the establishment of rates. A hearing on all other issues was held January 10, 1990. Order No. 10, dated March 6, 1990,

Section 6. Gas Industry Summary

approved NOARK's organization as a public utility, approved and issued the requested CECPN, ordered NOARK to submit an inspection and maintenance plan in accordance with the Arkansas Natural Gas Pipeline Safety Act of 1971 and ordered NOARK to file quarterly progress reports, including a final report, with the Commission.

A hearing was held on NOARK's proposed rates on April 3, 1990. On June 15, 1990, the Commission entered Order No. 11 finding that additional evidence should be taken on depreciation rates.

Pursuant to Order No. 14, entered on July 26, 1990, the hearing to supplement the record on the depreciation rates for the NOARK pipeline was scheduled for September 12, 1990. By Order No. 16, dated September 19, 1990, the Commission ordered NOARK to calculate its revenue requirement and amend its rates and tariffs utilizing the rate design recommended by Staff. However, the Commission found that there was substantial evidence to accept the service life and resulting depreciation rates recommended by NOARK. Additionally, NOARK was ordered to file a Notice of Intent to file a rate case within 24 to 30 months from the beginning of its pipeline operations for the purpose of determining cost based rates for future use. NOARK has not yet filed the amended tariffs.

90-004-U

Arkansas Western Gas Company

On January 16, 1990, Arkansas Western Gas Company (the Company) filed an Application asking for approval of a general change in its rates and tariffs for both its Arkansas Western Gas Division

(AWG) and its Associated Natural Gas Division (ANG). This Application was amended on February 9, 1990.

Staff investigated the requests for each division and presented its findings in testimony to the Commission. In addition, a large volume of information and data was generated and admitted into the record during the pendency of the case.

A public hearing was held on November 7, 1990, and continued on November 9, 1990. However, prior to the hearing, AWG, Staff, and intervenors Northwest Arkansas Gas Consumers (NWAGC) entered into a Stipulated Agreement as to all pending issues on November 8, 1990. In the Stipulation and Agreement, Staff recommended a revenue requirement of \$74,935,158 and \$13,068,792 for AWG and ANG respectively.

On December 21, 1990, the Commission entered Order No. 15, which approved the Stipulation subject to certain limitations and conditions. Pursuant to that Order, a public hearing was scheduled for April 16, 1991, concerning the limitations and conditions set out by the Commission.

90-029-U

Arkansas Oklahoma Gas Corporation

On March 5, 1990, Arkansas Oklahoma Gas Corporation applied for a Certificate of Extension Project to serve Cedarville, Arkansas. Order No. 3 of April 25, 1990, granted a Certificate of Extension Project and ordered AOG to file a report within 60 days of completion of the project showing the date of completion and cost of construction. Order No. 4, issued September 6, 1990, closed the Docket.

Section 6. Gas Industry Summary

90-038-U

Louisiana-Nevada Transit Company

Holnam Inc. filed an Application requesting authority to acquire the outstanding capital stock of Louisiana-Nevada Transit Company. The Staff evaluated the request and filed testimony recommending approval. Order No. 2, issued June 15, 1990, approved the request.

90-070-U

**Arkansas Oklahoma Gas Corporation
and Mansfield Gas, Inc.**

On May 10, 1990, Arkansas Oklahoma Gas Corporation (AOG) and Mansfield Gas, Inc. (Mansfield) filed a Joint Application requesting Commission approval to allow Mansfield to sell its production, transmission and distribution system to AOG. Order No. 3, dated July 11, 1990, approved the proposed sale. Order No. 5 of August 17, 1990, closed the Docket.

90-089-U

Arkansas Oklahoma Gas Corporation

On May 31, 1990, Arkansas Oklahoma Gas Corporation (AOG) filed an Application requesting a Certificate of Environmental Compatibility and Public Need (CECPN) to Construct, Operate, and Maintain a Certain Natural Gas Pipeline. On August 16, 1990, the Commission granted a CECPN to AOG and ordered it to file a report with the Commission, in Docket No. 86-033-U, within 60 days after completion of construction. Order No. 4 of September 18, 1990, closed the Docket.

90-155-U

Arkansas Western Gas Company

On August 31, 1990, Arkansas Western Gas Company (AWG) filed an Application for a Certificate of Public Convenience and Necessity (CCN). The Application requested authority to construct, operate and maintain additional compressor facilities as a part of its pipeline system in Franklin County, Arkansas.

Staff investigated the Application and filed testimony recommending its approval. On December 20, 1990, the Commission entered Order No. 3, which granted Arkansas Western Gas the Certificate. Order No. 3 also ordered the utility to file a report with the Commission showing the date construction was completed, the cost of construction and any changes or deviations from the initial construction plans, or from the location or costs of the facility. The report was to be filed with the Commission within 60 days after the completion of the construction.

90-180-U

Union Gas Company of Arkansas, Inc.

On October 8, 1990, Union Gas Company of Arkansas, Inc. (Union) filed Applications for a Certificate of Public Convenience and Necessity (CCN) and for a Certificate of Extension Project. The Applications requested authority to construct, operate and maintain a natural gas distribution system to serve Biscoe, Arkansas, as well as authority to construct, operate and maintain a natural gas transmission pipeline from the City of Devalls Bluff to Biscoe, Arkansas.

Section 6. Gas Industry Summary

On October 17, 1990, Union filed an amendment to its Application for the proposed Extension Project requesting authority to file a tariff approving a surcharge that would allow it to recover estimated "excess expenditures". Staff investigated the Applications and recommended approval of both.

By Order No. 3, dated December 21, 1990, the Administrative Law Judge granted the Certificates and authorized Union to recover 100% of its allowable "excess expenditures" resulting from this project by imposing a surcharge on those customers who will directly benefit. In addition, Union was ordered to file with the Commission: 1) a report showing the date of completion, cost and any deviations from its Application within 60 days after the completion of the construction; and, 2) a tariff in order to collect its approved surcharge.

90-188-U

Union Gas Company of Arkansas, Inc.

On October 17, 1990, Union Gas Company of Arkansas, Inc. (Union) filed an Application requesting authority to construct, operate and maintain its natural gas transmission pipeline across the White River, a navigable waterway, in Prairie County, Arkansas. Order No. 2 set a hearing on this Application to be held in conjunction with Docket No. 90-180-U.

Staff filed testimony in this matter recommending approval of the Application. Order No. 3, dated December 21, 1990, granted Union the authority and right to a navigable water crossing. The Order also required that the navigable water crossing be constructed, operated and maintained in a manner that is consistent with the pub-

lic safety and in a manner that will cause no unlawful interference with some other paramount public or private use of the navigable waterway or its underlying bed at the point of the crossing. Additionally, Union will be required to file a report with the Commission within 60 days showing the date of completion, cost of the project, and any deviations from its Application.

U-3100

Arkla Energy Resources

Order No. 7, in Docket No. 89-089-U, approved a Stipulation and Agreement which was filed on September 7, 1989. In accordance with that Order, Arkla Energy Resources (AER) filed a Notice of Intent to apply for a general rate change on October 1, 1990. On November 15, 1990, AER filed a Motion for Extension of Time through February 1, 1991. The Petition was granted by the Commission on November 21, 1990, by Order No. 26.

TF Dockets

88-046-TF

Arkansas Louisiana Gas Company

This Docket was opened at Arkansas Louisiana Gas Company's (ALG) request to consider a revision to its T-1 transportation tariff. The revised tariff would allow qualified customers to enter into a transportation contract for longer than one year. Testimony was filed by ALG, the Staff and Arkansas Gas Consumers. Following a Motion for Continuance by ALG, the scheduled hearing was

Section 6. Gas Industry Summary

suspended. No further action has been taken.

89-231-TF

Arkansas Oklahoma Gas Corporation

On November 30, 1989, Arkansas Oklahoma Gas Corporation (AOG) filed a letter and testimony requesting that its Standard Rules and Regulations Applying to Natural Gas Service be amended to require mandatory binding arbitration between AOG and its customers with respect to service. Staff filed both testimony and comments opposing the tariff change. On February 8, 1990, AOG filed a letter requesting that the tariff be withdrawn. Order No. 4, dated February 12, 1990, granted AOG's request and Order No. 5, dated March 19, 1990, closed the Docket.

90-012-TF

Arkansas Louisiana Gas Company

The filing in this Docket, which was opened on January 25, 1990, at Arkansas Louisiana Gas Company's (Arkla) request, asked for approval of a revision to its transportation tariff. The revision would allow the transportation tariffs to comport with the billing and collection procedure found in its sales tariffs. Testimony was filed by the Staff recommending approval. Order No. 1, dated February 23, 1990, approved the tariff. Order No. 2, dated April 3, 1990, closed the Docket.

90-047-TF

Arkansas Louisiana Gas Company

The Docket was opened at Arkansas Louisiana Gas Company's (ALG) request

to consider revisions to its T-1 and LT-1 transportation tariffs. The revision to the T-1 tariff would allow customers having previously met the eligibility criteria to remain eligible for ALG transportation service for up to a five year period. The revision to the LT-1 tariff clarifies certain parts of that tariff's language. Staff filed testimony on April 11, 1990, recommending approval of the changes. Order No. 1, dated April 20, 1990, approved the revisions. Order No. 2, dated June 11, 1990, closed the Docket.

90-061-TF

Arkansas Louisiana Gas Company

On April 27, 1990, Arkansas Louisiana Gas Company filed Supplemental Tariff EPA-1 for bills rendered on or after June 1, 1990. On May 8, 1990, ALG refiled Supplemental Tariff EPA-1, replacing its April 27, 1990, filing. On May 14, Staff filed prepared testimony. Order No. 1, issued May 24, 1990, approved the May 8, 1990, filing. Order No. 2, issued July 17, 1990, closed the Docket.

90-103-TF

Arkansas Oklahoma Gas Corporation

On June 20, 1990, Arkansas Oklahoma Gas Corporation (AOG) filed a revised sheet 2 of its Cost of Gas Clause. The revision would allow AOG to exclude from its Cost of Gas Clause calculation any gas purchased specifically for a gas customer under the provisions of a Commission-approved Special Gas Service Agreement.

On June 29, 1990, Staff filed testimony recommending that the tariff be suspended pursuant to Ark. Code Ann. Section

Section 6. Gas Industry Summary

23-4-407. Order No. 1, dated June 29, 1990, suspended the tariff. On August 16, 1990, AOG filed an amended tariff and Staff filed testimony in support of the amended filing on August 17, 1990.

By Order No. 2, dated August 28, 1990, the Commission approved the August 16 filing. Order No. 2 also required AOG to pass through any excess revenues resulting from the Special Gas Service Agreement in its Cost of Gas Clause in the month following the contract year. In addition, AOG is required to file any appropriate amendments to its Cost of Gas Clause at such time any revenue excess is determined. Order No. 3, dated October 2, 1990, closed the Docket.

90-104-TF

Arkansas Oklahoma Gas Corporation

On June 20, 1990, Arkansas Oklahoma Gas Corporation (AOG) filed a request for approval of a Special Gas Service Agreement between the utility and Travis Lumber Company (Travis) in Mansfield, Arkansas. The Agreement allows AOG to sell natural gas to Travis, who previously purchased natural gas directly from producers.

On June 29, 1990, Staff filed testimony recommending that the tariff be suspended pursuant to Ark. Code Ann. Section 23-4-407. Order No. 1, dated June 29, 1990, suspended the tariff. On August 16, 1990, AOG filed an amended Special Gas Service Agreement and on August 17, 1990, Staff filed testimony recommending that the amended filing be approved, subject to certain conditions. Order No. 2, dated August 28, 1990, approved the August 16, 1990, filing subject to the conditions as set out by Staff. Order No. 4, dated October 2, 1990, closed the Docket.

90-107-TF

Associated Natural Gas Company

On June 21, 1990, Associated Natural Gas (ANG), a Division of Arkansas Western Gas Company (AWG), filed transportation tariffs in this Docket. The proposed tariffs applied to any commercial or industrial interruptible customer whose annual usage is at least 24,000 Mcf. Staff recommended suspension of the June 21 tariff filing. On August 3, 1990, Order No. 2 granted a Staff motion to merge the transportation filing in this Docket with the general rate filing of AWG in Docket No. 90-004-U.

90-167-TF

Arkansas Oklahoma Gas Company

On September 14, 1990, Arkansas Oklahoma Gas Corporation (AOG) filed sheet 8 of 8 to amend its Standard Rules and Regulations Applying to Natural Gas Service. The amended tariff sheet included the addition of Section IX. The purpose of this filing was to institute a Social Security Plus Plan. Staff filed testimony on October 2, 1990, recommending approval of this tariff. On October 4, 1990, the Standard Rules and Regulations Applying to Natural Gas Service were approved by Order No. 1. Order No. 2, dated November 19, 1990, closed the Docket.

90-206-TF

Arkansas Louisiana Gas Company

On November 27, 1990, Arkansas Louisiana Gas Company (ALG) filed proposed reformatted Rate Schedules, Rate Supplements, Standard Rules and

Section 6. Gas Industry Summary

Regulations and General Terms and Conditions with the Commission. Subsequently, on December 13, 1990, ALG withdrew its filing and replaced it with a revised filing. The purpose was to eliminate word processing problems, make future revisions easier and less time-consuming, and update and improve the overall tariff appearance and organization. Staff recommended that the December 13, 1990, filing be approved. The new tariff was approved on January 8, 1991, by Order No. 1.

C Dockets

90-008-C

Boyd Fowler, Billy Caradine and Stephen Yocum, On Behalf of Themselves and All Others Similarly Situated
vs.
Arkla, Inc.

On January 19, 1990, three individuals filed a formal complaint against Arkansas Louisiana Gas Company, Inc. (Arkla), urging the Commission to order a refund to Arkansas ratepayers on the grounds that Arkla violated the provisions of the least-cost gas purchasing statute, Ark. Code Ann. Section 23-15-103. During the pendency of Docket No. 90-008-C, three motions were filed: Arkla's Motion to Dismiss Complaint and Memorandum in Support; Complainants' Motion to Disqualify the Chairman of the Public Service Commission and for the Appointment of a Special Commissioner; and Arkla's Motion to Stay Discovery and

to Abate the Time Within Which to File Answer. Order No. 1 of Docket No. 90-036-U denied the Motion to Disqualify the Chairman, reserved judgment on the Motion to Dismiss, and dissolved the interim stay of discovery in response to the Motion to Stay. In addition, the Complaint was consolidated with the Commission's investigative Docket.

Docket No. 90-008-C has been closed pursuant to the Commission's Order No. 1 issued on March 9, 1990, in Docket No. 90-036-U. In the aforementioned Order No. 1, Docket Nos. 89-220 and 90-008-C were consolidated with and subsumed in Docket No. 90-036-U.

90-023-C

David G. Kittle vs.
Arkansas Western Gas Company

The Complainant claims that, upon his request, Arkansas Western Gas Company (Company) inspected the gas furnace at his residence and found it to be in good working condition. Approximately one month later, the Complainant experienced problems with the furnace. At that time, the Company found the furnace to be dangerous and disconnected gas service to the furnace until it was properly repaired. The Complainant alleges this failure of the furnace to be the fault of the Company. On May 14, 1990, the Complainant requested that the Complaint be dismissed. Order No. 3, issued May 14, 1990, dismissed the Complaint. Order No. 4, issued June 18, 1990, closed the Docket.

Section 6. Gas Industry Summary

2. COMMISSION DOCKETS ON APPEAL

87-149-U

**Arkansas Oklahoma Gas Corporation
Arkansas Court of Appeals Case No.
CA-88-260**

This case involves an Act 310 filing by Arkansas Oklahoma Gas Corporation (AOG) wherein AOG seeks to recover expenses incurred in removing asbestos from two of its buildings. AOG claims that the removal is mandated under Environ-

mental Protection Agency regulations and is therefore subject to Act 310 treatment. After a Commission ruling adverse to AOG, AOG appealed.

The Court of Appeals upheld the APSC on May 10, 1989. AOG then appealed to the Arkansas Supreme Court. On June 12, 1989, the Supreme Court agreed to hear the case. The Supreme Court reversed and dismissed the case on February 5, 1990. By letter dated March 7, 1990, the Court corrected the opinion to recite that the case was remanded to the Commission for specific findings on the level of allowable expenses.

Section 6. Gas Industry Summary

3. DOCKETS OPENED BY THE COMMISSION FOR INVESTIGATIVE PURPOSES

89-220

In the Matter of an Investigation of the Arkla-Arkoma Transactions

On November 14, 1989, the Commission, on its own motion, established Docket No. 89-220 for the purpose of investigating the Arkla-Arkoma transactions as well as any events and

transactions related thereto. On March 9, 1990, by Order No. 1 in Docket No. 90-036-U, the Commission consolidated Docket Nos. 89-220 and 90-008-C (the complaint Docket requesting the Commission to order Arkla to make a refund to ratepayers for alleged violations of Ark. Code Ann. Section 23-15-103) to form the new Docket No. 90-036-U. Order No. 1 in Docket No. 90-036-U transferred the pleadings of Docket No. 89-220 to Docket No. 90-036-U and closed Docket No. 89-220.

Section 7. Electric Industry Summary

A. Highlights of 1990

During 1990, the Staff responded to electric issues at the state and federal levels which arose from increased competitive pressures in the industry. On the retail level, those issues relate specifically to the excessive capacity levels that exist in Arkansas.

The significant effect of competitive pressure in the retail sector is demonstrated by the number of requests for special rate treatment received by the Commission this year. The purpose of special treatment is the promotion of load

retention, cogeneration deferral, and economic development.

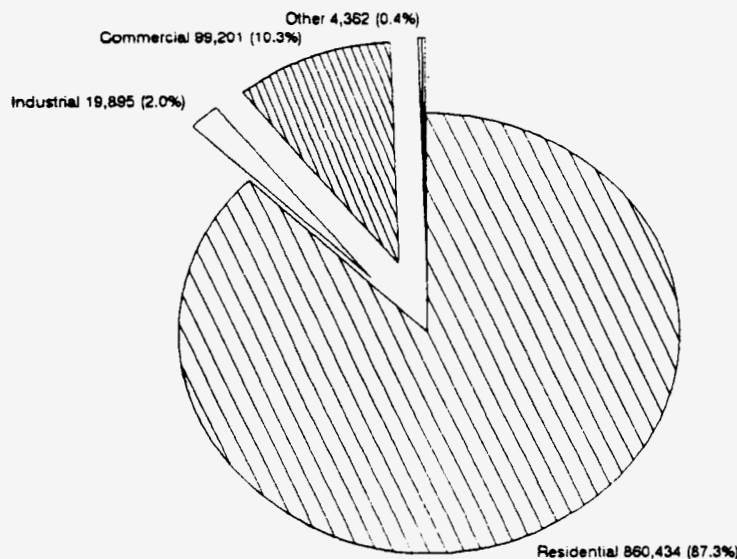
Because of the availability of alternative sources of power, including cogeneration and other fuels at competitive rates, the Staff supported approval of special contracts that allowed utilities to retain or expand existing industrial load. This action preserves the revenue base of the utility and prevents the shifting of increased costs to other ratepayers.

B. Electric Customers by Class

The following chart is a graphic representation of the total number of retail electric customers in Arkansas as of December 31, 1989. The chart is divided into four parts to show the proportion for each group. As can

easily be seen, residential customers are the largest group, representing 87% of all customers. Commercial customers are the next largest group at 10% while industrial customers comprise 2% of the total.

RETAIL ELECTRIC CUSTOMERS - 1989



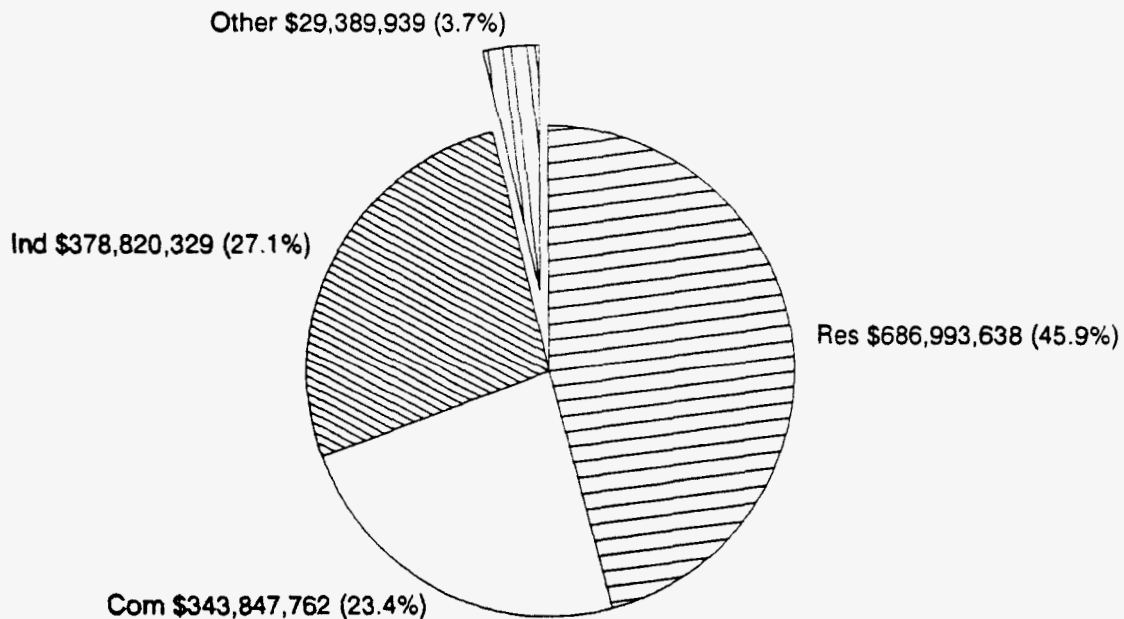
Section 7. Electric Industry Summary

C. Retail Electric Revenues by Class

The following chart represents the retail electric revenues collected in Arkansas as of December 31, 1989. While residential customers represent 87% of all electric customers, they supply only 46% of the total retail electric revenues. On the other hand, while the com-

mercial and industrial classes comprise only 10% and 2% of the total number of electric customers, respectively, they provide 23% and 27% of the revenues. The other classes contain less than 1% of the customers but those customers supply 4% of the total retail revenues.

RETAIL ELECTRIC REVENUES - 1989



Section 7. Electric Industry Summary

D. Statistical Summaries for Electric

ELECTRIC COMPANIES-ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1989

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) GROSS REV. /INVEST.
Arkansas Electric Coop.	\$706,738,899	\$206,113,635	29.16%
Arkansas Power & Light Co.	3,843,358,813	1,329,733,633	34.60
Arkansas Valley Electric Coop.	68,383,441	32,601,052	47.67
Ashley-Chicot Electric Coop.	8,161,035	3,718,883	45.57
C & L Electric Coop.	29,832,508	14,579,035	48.87
Carroll Electric Coop	84,900,093	39,806,005	46.89
Clay County Electric Coop.	18,993,537	9,241,341	48.66
Craighead Electric Coop.	41,429,220	21,144,350	51.04
Empire District Electric Co.	8,872,055	3,680,989	41.49
Farmers Electric Coop.	9,373,497	5,259,610	56.11
First Electric Coop.	79,151,271	50,326,833	63.58
Mississippi County Electric Coop.	6,980,143	17,396,390	249.23
North Arkansas Electric Coop.	54,348,034	24,393,271	44.88
Oklahoma Gas & Electric Co.	112,740,335	102,621,406	91.02
Ouachita Electric Coop.	23,807,365	14,550,137	61.12
Ozarks Electric Coop.	59,403,603	25,621,783	43.13
Petit Jean Electric Coop.	30,720,458	11,800,007	38.41
Riceland Electric Coop.	10,177,435	3,267,683	32.11
Rich Mountain Electric Coop.	13,203,440	5,049,924	38.25
South Central Arkansas Electric Coop.	14,789,463	8,008,265	54.15
Southwest Arkansas Electric Coop.	58,735,131	24,113,157	41.05
Southwestern Electric Power Co.	257,857,112	148,723,594	57.68
Woodruff Electric Coop.	45,750,557	17,516,703	38.29
TOTALS	\$5,587,707,445	\$2,119,267,686	37.93%

Section 7. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE KWH PER CUSTOMER
ARKANSAS ELECTRIC COOPERATIVE CORPORATION					
RESIDENTIAL	0	0	\$0	\$0	0
COMMERCIAL	0	0	\$0	\$0	0
INDUSTRIAL	0	0	\$0	\$0	0
OTHER	17	4,873,434,000	\$206,113,635	\$12,124,331	286,672,588
TOTAL	17	4,873,434,000	\$206,113,635	\$12,124,331	286,672,588

ARKANSAS POWER & LIGHT

RESIDENTIAL	488,030	4,897,232,154	\$413,872,491	\$848	10,035
COMMERCIAL	60,070	3,526,584,157	\$249,216,860	\$4,149	58,708
INDUSTRIAL	19,168	5,141,276,770	\$291,339,830	\$15,199	268,222
OTHER	943	12,388,500,267	\$400,997,207	\$425,236	13,137,328
TOTAL	568,211	25,953,593,348	\$1,355,426,388	\$2,385	485,676

ARKANSAS VALLEY ELECTRIC COOPERATIVE

RESIDENTIAL	29,133	320,346,389	\$23,187,332	\$796	10,996
COMMERCIAL	1,455	47,495,741	\$3,268,688	\$2,247	32,643
INDUSTRIAL	8	128,860,700	\$5,457,015	\$682,127	16,107,588
OTHER	443	4,276,629	\$313,686	\$708	9,654
TOTAL	31,039	500,979,459	\$32,226,721	\$1,038	16,140

ASHLEY-CHICOT ELECTRIC COOPERATIVE, INC.

RESIDENTIAL	3,106	32,704,227	\$2,599,674	\$837	10,529
IRRIGATION	120	5,025,582	\$427,055	\$3,559	41,880
COMMERCIAL	701	6,710,727	636,422	\$908	9,573
INDUSTRIAL	0	0	\$0	\$0	0
OTHER	22	670,850	\$55,732	\$2,533	30,493
TOTAL	3,949	45,111,386	\$3,718,883	\$942	11,423

Section 7. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE KWH PER CUSTOMER
C & L ELECTRIC COOPERATIVE					
RESIDENTIAL	14,150	137,234,488	\$11,295,159	\$798	9,699
IRRIGATION	456	2,147,576	\$280,534	\$615	4,710
COMMERCIAL	1,067	31,397,000	\$2,390,337	\$2,240	29,425
INDUSTRIAL	1	1,233,900	\$84,121	\$84,121	1,233,900
OTHER	338	3,521,680	\$278,980	\$825	10,419
TOTAL	16,012	175,534,644	\$14,329,131	\$895	10,963
CARROLL ELECTRIC COOPERATIVE CORPORATION					
RESIDENTIAL	32,900	406,219,621	\$30,491,144	\$927	12,347
COMMERCIAL	1,920	99,709,753	\$6,756,476	\$3,519	51,932
INDUSTRIAL	3	39,947,256	\$1,755,209	\$585,070	13,315,752
OTHER	38	2,759,427	\$803,176	\$21,136	72,617
TOTAL	34,861	548,636,057	\$39,806,005	\$1,142	15,738
CLAY COUNTY ELECTRIC COOPERATIVE CORPORATION					
RESIDENTIAL	8,625	69,000,530	\$5,409,116	\$627	8,000
IRRIGATION	659	3,503,878	\$420,577	\$638	5,317
COMMERCIAL	887	28,424,240	\$2,139,529	\$2,419	32,045
INDUSTRIAL	6	18,479,312	\$1,135,337	\$189,223	3,079,885
OTHER	75	993,580	\$136,791	\$1,824	13,248
TOTAL	10,252	120,401,540	\$9,241,341	\$901	11,744
CRAIGHEAD ELECTRIC COOPERATIVE CORPORATION					
RESIDENTIAL	18,175	198,156,749	\$15,404,422	\$848	10,903
IRRIGATION	975	9,530,570	\$902,656	\$926	9,775
COMMERCIAL	2,744	46,591,729	\$3,842,401	\$1,400	16,979
INDUSTRIAL	5	16,308,850	\$882,484	\$176,497	3,261,770
OTHER	24	368,095	\$13,010	\$542	15,337
TOTAL	21,923	270,955,993	\$21,044,973	\$960	12,359

Section 7. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE KWH PER CUSTOMER
EMPIRE DISTRICT ELECTRIC COMPANY					
RESIDENTIAL	2,374	20,632,317	\$1,010,869	\$426	8,691
COMMERCIAL	538	23,509,361	\$1,104,635	\$2,053	43,698
INDUSTRIAL	5	32,734,664	\$1,099,832	\$219,966	6,546,933
OTHER	76	21,607,180	\$22,072,833	\$290,432	284,305
TOTAL	2,993	98,483,522	\$25,288,169	\$8,449	32,905

FARMERS ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL	3,908	39,872,030	3,247,138	831	10,203
IRRIGATION	720	10,678,900	\$1,124,229	\$1,561	14,832
COMMERCIAL	338	10,688,212	\$779,147	\$2,305	31,623
OTHER	9	348,000	\$28,669	\$3,185	38,667
TOTAL	4,966	61,587,142	\$5,179,183	\$1,043	12,402

FIRST ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL	42,831	482,040,096	\$37,132,713	\$867	11,254
IRRIGATION	1,187	13,719,590	\$996,588	\$840	11,588
COMMERCIAL	1,287	72,692,576	\$4,532,175	\$3,522	56,482
INDUSTRIAL	2	232,389,404	\$6,565,403	\$3,282,702	116,194,702
OTHER	294	9,607,466	\$1,099,954	\$3,741	32,678
TOTAL	45,601	810,449,132	\$50,326,833	\$1,104	17,773

MISSISSIPPI COUNTY ELECTRIC COOPERATIVE, INC.

RESIDENTIAL	3,159	33,903,865	\$2,724,888	\$863	10,732
IRRIGATION	11	510,786	\$46,466	\$4,224	46,435
COMMERCIAL	222	4,246,090	\$309,643	\$1,395	19,127
INDUSTRIAL	2	505,705,539	\$14,196,010	\$7,098,005	252,852,770
OTHER	38	1,172,934	\$1,292,317	\$34,008	30,867
TOTAL	3,432	545,539,214	\$18,569,324	\$5,411	158,957

Section 7. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE KWH PER CUSTOMER
NORTH ARKANSAS ELECTRIC COOPERATIVE, INC.					
RESIDENTIAL	20,733	205,908,087	\$17,001,590	\$820	9,931
COMMERCIAL	1,517	57,441,753	\$4,045,284	\$2,667	37,865
INDUSTRIAL	5	52,975,840	\$2,689,387	\$537,877	10,595,168
OTHER	301	3,112,492	\$253,770	\$843	10,341
TOTAL	22,556	319,438,172	\$23,990,031	\$1,064	14,162

OKLAHOMA GAS & ELECTRIC COMPANY

RESIDENTIAL	46,820	494,196,660	\$30,652,676	\$655	10,555
COMMERCIAL	6,890	419,822,515	\$22,967,078	\$3,333	60,932
INDUSTRIAL	153	718,765,471	\$26,330,360	\$172,094	4,697,814
OTHER	799	496,046,110	\$22,257,751	\$27,857	620,834
TOTAL	54,662	2,128,830,756	\$102,207,865	\$1,870	38,945

OUACHITA ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL	7,555	68,999,748	\$5,661,843	\$749	9,133
COMMERCIAL	848	57,831,801	\$4,804,525	\$5,666	68,198
INDUSTRIAL	10	63,630,699	\$3,943,759	\$394,376	6,363,070
OTHER	6	372,276	\$140,010	\$23,335	62,046
TOTAL	8,419	190,834,524	\$14,550,137	\$1,728	22,667

OZARKS ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL	25,186	269,107,003	\$18,961,480	\$753	10,685
COMMERCIAL	320	79,735,892	\$4,311,693	\$13,474	249,175
INDUSTRIAL	4	29,375,600	\$1,628,295	\$407,074	7,343,900
OTHER	105	4,190,852	\$720,315	\$6,860	39,913
TOTAL	25,615	382,409,347	\$25,621,783	\$1,000	14,929

Section 7. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE KWH PER CUSTOMER
PETIT JEAN ELECTRIC COOPERATIVE CORPORATION					
RESIDENTIAL	12,552	108,376,997	\$8,636,018	\$688	8,634
COMMERCIAL	1,006	31,284,461	\$2,196,639	\$2,184	31,098
INDUSTRIAL	8	9,533,903	\$618,618	\$77,327	1,191,738
OTHER	236	2,759,551	\$348,742	\$1,478	11,693
TOTAL	13,802	151,954,912	\$11,800,017	\$855	11,010

RICELAND ELECTRIC COOPERATIVE, INC.

RESIDENTIAL	2,595	21,906,247	\$2,208,501	\$851	8,442
IRRIGATION	691	4,266,375	\$401,504	\$581	6,174
COMMERCIAL	143	4,359,677	\$441,758	\$3,089	30,487
INDUSTRIAL	1	3,148,000	\$215,920	\$215,920	3,148,000
OTHER	0	0	\$0	\$0	0
TOTAL	3,430	33,680,299	\$3,267,683	\$953	9,819

RICH MOUNTAIN ELECTRIC COOPERATIVE, INC.

RESIDENTIAL	5,202	53,130,840	\$4,549,528	\$875	10,214
COMMERICAL	206	6,410,472	\$500,396	\$2,429	31,119
INDUSTRIAL	0	0	\$0	\$0	0
OTHER	0	0	\$0	\$0	0
TOTAL	5,408	59,541,312	\$5,049,924	\$934	11,010

SOUTH CENTRAL ARKANSAS ELECTRIC COOPERATIVE, INC.

RESIDENTIAL	7,384	62,596,681	\$5,001,906	\$677	8,477
IRRIGATION	3	62,697	\$10,976	\$3,659	20,899
COMMERCIAL	393	12,190,537	\$972,256	\$2,474	31,019
INDUSTRIAL	2	46,652,271	\$1,985,047	\$992,524	23,326,136
OTHER	8	149,212	\$38,080	\$4,760	18,652
TOTAL	7,790	121,651,398	\$8,008,265	\$1,028	15,616

Section 7. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1989

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REVENUE PER CUSTOMER	AVERAGE KWH PER CUSTOMER
SOUTHWEST ARKANSAS ELECTRIC COOPERATIVE CORPORATION					
RESIDENTIAL	18,344	192,691,740	\$14,736,591	\$803	10,504
IRRIGATION	18	80,927	\$17,200	\$956	4,496
COMMERCIAL	1,582	65,377,116	\$4,862,008	\$3,073	41,326
INDUSTRIAL	4	89,388,000	\$4,377,135	\$1,094,284	22,347,000
OTHER	11	351,358	\$120,223	\$10,929	31,942
TOTAL	19,959	347,889,141	\$24,113,157	\$1,208	17,430
SOUTHWESTERN ELECTRIC POWER COMPANY					
RESIDENTIAL	69,046	632,265,056	\$39,648,775	\$574	9,157
COMMERCIAL	10,520	548,985,103	\$28,789,958	\$2,737	52,185
INDUSTRIAL	574	1,205,984,564	\$50,483,299	\$87,950	2,101,018
OTHER	708	67,402,286	\$10,977,161	\$15,504	95,201
TOTAL	80,848	2,454,637,009	\$129,899,193	\$1,607	30,361
WOODRUFF ELECTRIC COOPERATIVE CORPORATION					
RESIDENTIAL	12,661	125,555,973	\$10,744,737	\$849	9,917
IRRIGATION	3,104	27,823,205	\$2,475,148	\$797	8,964
COMMERICAL	640	40,254,548	\$3,032,637	\$4,738	62,898
INDUSTRIAL	6	19,714,270	\$1,042,234	\$173,606	3,285,712
OTHER	9	220,880	\$221,947	\$24,661	24,542
TOTAL	16,420	213,568,876	\$17,516,703	\$1,067	13,007
TOTALS	1,002,075	40,408,141,183	\$2,147,295,344	\$2,143	40,324

Section 7. Electric Industry Summary

E. Electric Docket Activity Summary

1. COMMISSION DOCKETS

This Docket has been consolidated with Docket No. 90-096-U.

U Dockets

88-193-U

84-207-U

Arkansas Electric Cooperative Corporation

On August 31, 1984, Arkansas Electric Cooperative Corporation filed a Petition seeking approval to transfer its 35% undivided interest in Independence Steam Electric Station Unit Two to General Electric Credit Corporation in a leveraged lease transaction. The Commission held a hearing on the request on October 12, 1984, and approved the transaction by Order No. 3 on October 9, 1984. Order No. 5, issued on June 17, 1985, approved the debt offering associated with the leverage lease of ISES II. The Order also approved the supplemental and amended documents necessary for the leveraged lease transaction. Order No. 6, issued on March 8, 1990, closed the Docket.

88-137-U

Arkansas Electric Cooperative Corporation

The open issue in this Docket pertains to the use of the proceeds from the sale and leaseback of the hydroelectric generating facility at Lock and Dam No. 13 on the Arkansas River. Staff asserts that the proceeds should be used to pay off debt, but the Rural Electrification Administration may not allow the loans to be paid without substantial prepayment penalties.

In the Matter of the Petition of Great Lakes Carbon Corporation for Declaratory Order

Great Lakes Carbon Corporation (GLCC) filed a Petition for Declaratory Relief on December 8, 1988, requesting the Commission to declare that GLCC had the right to terminate electric service from Arkansas Valley Electric Cooperative Corporation (AVECC) and to obtain electric service from Oklahoma Gas and Electric Company (OG&E). On February 1, 1989, Staff moved to dismiss GLCC's Petition on the grounds that the relief requested by GLCC was barred as a matter of law.

On February 6, 1989, AVECC filed a Motion to Dismiss GLCC's Petition, agreeing with Staff that GLCC's Petition was barred as a matter of law. The Motion also questioned the Commission's jurisdiction to enter declaratory relief. Arkansas Power and Light Company, Arkansas Electric Cooperative Corporation, and Arkansas Electric Cooperatives, Inc., sought and were granted intervention by the Commission.

Order No. 6, issued by the Administrative Law Judge on April 5, 1989, dismissed GLCC's Petition. Order No. 6 found that, as a matter of law, GLCC was not entitled to the relief sought. The ALJ's findings were based on the Arkansas Supreme Court's decision in Southwestern Electric Power Co. v. Carroll

Section 7. Electric Industry Summary

Electric Cooperative Corp., 261 Ark. 919, 554 S.W.2d 308 (1977), which interpreted Ark. Code Ann. Sect. 23-18-101 (1987) (previously codified as Ark. Stat. Ann. Section 73-240).

Order No. 7, issued by the Commission on May 5, 1989, affirmed Order No. 6 without modification. Order No. 8, entered June 16, 1989, denied GLCC's Petition for Rehearing.

On July 3, 1989, GLCC filed its Notice of Appeal with the Arkansas Court of Appeals. GLCC's appeal was docketed in the Arkansas Court of Appeals as Case No. CA 89-272. On April 18, 1990, the Arkansas Court of Appeals entered a decision affirming the Commission's Orders. Commission Order No. 9, issued May 23, 1990, closed the Docket.

89-128-U

Arkansas Power & Light Company

Arkansas Power & Light Company (AP&L) requested approval to transfer an undivided portion of the Certificate for Independence Steam Electric Station Unit No. 2 to Entergy Power, Inc. Also part of the proposed transfer was AP&L's ownership interest in the Ritchie Steam Electric Station Unit No. 2.

The request was made because a short-term sale termination in December was projected to cause \$23 million in revenue losses annually. The short-term sale to Mississippi Power & Light Company involved AP&L's entitlement to capacity and energy associated with the Independence Steam Electric Station Unit No. 2.

The Staff and the Attorney General entered into a Stipulation and Settlement

Agreement with AP&L to eliminate an immediate need for increased rates. Among other things, the Stipulation provided for a rate moratorium to insulate AP&L's Arkansas ratepayers from a general increase in rates for about three years.

AP&L also requested authority to enter an operating agreement with a newly-formed nuclear management affiliate. The affiliate was to assume operating responsibility for, but not ownership of, Arkansas Nuclear One Units 1 and 2. The consolidation of nuclear operations was projected to result in an annual savings to Arkansas ratepayers of \$10.4 million.

The Commission held five days of public hearings on the Stipulation and compiled an extensive record of testimony and exhibits. Order No. 17, issued April 2, 1990, approved the Application and the Stipulation, as modified through the testimony and pleadings contained in the record and as conditioned by the Commission.

89-256-U

Oklahoma Gas & Electric Company

Oklahoma Gas & Electric Company filed for authority to issue \$75,000,000 of its first mortgage bonds. The Staff filed testimony recommending approval of the Company's request and Order No. 2, issued January 12, 1990, granted the request.

90-014-U

South Central Arkansas Electric Cooperative

South Central Arkansas Electric Cooperative filed an Optional Large Power Interruptible Rate Schedule tariff

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(LP-Opt) available to all large industrial customers with annual peak demands in excess of 5,000 Kw, and who otherwise would qualify for the Arkansas Electric Cooperative Corporation (AECC) IC-2 interruptible rate schedule. Order No. 1, issued by the hearing officer on February 26, 1990, approved the tariff.

90-031-U

Empire District Electric Company

Empire District Electric Company filed an Application seeking a determination by the Commission that its fee schedule did not apply to Empire's issuance of \$25,000,000 principal amount of 9 3/4% Series First Mortgage Bonds. The Staff filed its response supporting the Commission's fee schedule and requesting that a procedural schedule be established to allow Staff to present testimony. The procedural schedule was established and thereafter Empire withdrew its Application. Order No. 4, issued May 8, 1990, dismissed the Company's Application.

90-062-U

Oklahoma Gas and Electric Company

On August 31, 1990, the Commission approved an Application for a Certificate of Convenience and Necessity to construct, own and operate a 161 Kv transmission line, filed by Oklahoma Gas and Electric Company (OG&E). The transmission line is fed by a cogeneration plant located in Oklahoma; however, OG&E will not be permitted to recover any capacity or energy payments from retail ratepayers resulting from the addition of this plant. Only that

part of the line located in Arkansas was approved.

90-086-U

South Central Arkansas Electric Cooperative

South Central Arkansas Electric Cooperative filed an Application in this Docket for a Certificate of Convenience and Necessity to construct, own and operate a 69 Kv transmission line. The Application was approved by the Commission on September 18, 1990.

90-096-U

Arkansas Electric Cooperative Corporation

On March 12, 1990, Arkansas Electric Cooperative Corporation (AECC) filed a Notice of Intent to file an application for a general change or modification in its rates. However, on June 11, AECC filed a statement that it desired to maintain its existing rates. Nonetheless, AECC accompanied the statement with the data required by the Commission's minimum filing requirements for general rate change applications. The data was provided to allow a review of AECC's rates. Once the review is completed, Staff is scheduled to file testimony on April 1, 1991. A hearing has been set for July 8, 1991.

90-125-U

Arkansas Power & Light Company

Arkansas Power & Light Company (AP&L) requested authority to issue and sell up to \$250,000,000 principal amount of its first mortgage bonds and up to \$100,000,000 aggregate par value of its

Section 7. Electric Industry Summary

preferred stock. The Staff evaluated AP&L's request and filed testimony recommending approval. Order No. 2, issued August 17, 1990, granted the request. AP&L subsequently filed a Motion seeking permission to sell the authorized first mortgage bonds by means of a negotiated offering. The Staff reviewed this request and filed testimony recommending approval. Order No. 2, issued October 5, 1990, granted AP&L's motion.

90-138-U

Arkansas Power & Light Company

On August 2, 1990, Arkansas Power & Light Company (AP&L) filed an Application seeking an order declaring no jurisdiction, or alternatively, authorizing the sale of certain assets used to provide retail service within the State of Missouri to Union Electric Company. Concurrent with the sale of assets, Union Electric will enter a ten-year contract for wholesale purchases from AP&L for the approximate load being transferred. In a related transaction, AP&L will sell certain transmission facilities to Associated Electric Cooperative, Incorporated. The Application is pending before the Commission.

90-169-U

First Electric Cooperative and Riceland Electric Cooperative

On September 17, 1990, First Electric Cooperative (First Electric) and Riceland Electric Cooperative (Riceland) filed a Joint Application seeking approval for First Electric to purchase Riceland's assets. First Electric also applied for a Certificate

of Public Convenience and Necessity to serve Riceland's territory after approval of the purchase. In testimony filed November 20, 1990, Staff recommended: 1) approval of First Electric's purchase of Riceland's assets; and, 2) that First Electric file a feasibility and cost-benefit study (study) concerning the offering of load control to Riceland's current residential air conditioning and water heating customers.

In Order No. 3, issued December 7, 1990, the Administrative Law Judge approved the purchase of assets by First Electric and issued the Certificate of Public Convenience and Necessity which allows First Electric to serve Riceland's service territory. The Order also instructed First Electric to submit a load control study on or before February 1, 1991, and to submit any new tariff developed in relation to the study on or before March 1, 1991.

90-174-U

Arkansas Power & Light Company

Arkansas Power & Light Company (AP&L) applied for authority to enter into up to \$120,000,000 principal amount of installment purchase contracts with Pope County, Arkansas. Pope County would issue and sell a like amount of Solid Waste Disposal Bonds on facilities at the Arkansas Nuclear One Generating Station. The Staff evaluated AP&L's request and filed testimony recommending approval. Order No. 2, issued November 13, 1990, approved AP&L's request.

90-214-U

Empire District Electric Company

On December 7, 1990, Empire District Electric Company filed an Application for

Section 7. Electric Industry Summary

a general rate increase. On December 19, 1990, Order No. 2 suspended the proposed rates and tariffs pursuant to Ark. Code Ann. Section 23-3-407. A letter with corrected deficiencies attached was filed December 31, 1990.

TF Dockets

87-056-TF

Arkansas Electric Cooperative Corporation

The open issue in this Docket pertains to the disposition of net margins arising from the industrial, interruptible contract for service to the Nucor-Yamato Steel plant near Blytheville. This Docket has been consolidated with Docket No. 90-096-U.

87-166-TF

Arkansas Power & Light Company

In this Docket, Arkansas Power & Light Company (AP&L) filed revised decommissioning rate adjustments for the period beginning January 1, 1991, and ending December 31, 1991. The adjustments were filed in accordance with the requirements of Arkansas Nuclear One Decommissioning Cost Rider Rate Schedule M26 and Commission Order No. 5 in Docket No. 87-166-TF. The rate adjustments were based on AP&L's projected 1991 Arkansas retail decommissioning revenue requirement and were calculated using Arkansas retail sales projections for 1991.

Staff filed testimony on November 29, 1990, recommending approval of the rates.

Order No. 9, issued on November 30, 1990, approved the decommissioning rates.

90-005-TF

Arkansas Power & Light Company

An Agreement for Electric Service between Arkansas Power & Light Company (AP&L) and TREFIL ARBED Arkansas, Inc. was filed on January 16, 1990. This economic development contract was executed to induce TREFIL ARBED to construct and operate a steel tire cord production facility near Pine Bluff, Arkansas. Contractual terms, conditions, and billing provisions were negotiated by AP&L to encourage TREFIL ARBED to make the capital investment and create jobs in Arkansas. With the condition that revenues generated from this Agreement in excess of incremental costs be shared between AP&L and ratepayers using the Percentage of Standard Rate Split methodology, the Agreement was approved on August 31, 1990.

90-016-TF

Ozarks Electric Cooperative Corporation

On January 29, 1990, Ozarks Electric Cooperative Corporation requested approval to revert to the full cost of debt billing adjustment approved in its last rate case, Docket No. 86-162-U. At Staff's request, the Cooperative filed an Index to Rate Schedules and filed a reformatted Billing Adjustments tariff for easier reference. Staff filed testimony on February 23, recommending approval of the Index and Billing Adjustment tariff, as revised. An Order approving the filing was issued on February 28, 1990.

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90-021-TF

Arkansas Power & Light Company

On February 27, 1990, Arkansas Power & Light Company (AP&L) filed proposed revisions to its All Night Outdoor Lighting Service Tariff (Rate Schedule L4). The revisions made available new types of lighting options, provided for installation of non-standard equipment, and reformat-
ted the existing tariff. Staff's March 2 testimony recommended approval, which was granted by an Order issued March 8, 1990.

90-028-TF

Arkansas Power & Light Company

On February 27, 1990, Arkansas Power & Light Company filed an Interruptible Power Agreement with Harding University. Under the terms of the Agreement, Harding will purchase the majority of its electrical energy requirements from AP&L on an interruptible basis, and will use its power production facilities to replace purchases from AP&L in times of interruption. On March 27, 1990, Order No. 1 approving the Agreement was issued by a Commission Hearing Officer.

90-040-TF

Oklahoma Gas and Electric Company

On March 19, 1990, Oklahoma Gas and Electric Company (OG&E) filed a request to revise its Trade Electricity for Gas Rider (TEGR) to limit the availability of the current program from twelve months each year to the five month period of May - September of each year. The revisions were proposed in order to bring

take-or-pay exposure with existing gas contracts to a more manageable level, while continuing to provide substantial benefits to all OG&E customers. On April 17, 1990, Staff filed testimony recommending approval of the proposed changes. The Commission approved the revised tariff by an April 17, 1990, Order.

90-074-TF

Arkansas Power and Light Company

On May 14, 1990, Arkansas Power & Light Company (AP&L) filed Agreements for Electric Service applicable to International Paper Company's (IP) Pine Bluff and Camden Mills. The Pine Bluff Agreement provides International Paper with interruptible and standby service. The Camden Agreement will provide IP with standby and supplementary service. These Agreements were found to be in the best overall interest of the public, AP&L, IP, and all other AP&L customers, and were approved on September 14, 1990.

90-075-TF

Arkansas Power and Light Company

An Agreement for Electric Service between Arkansas Power and Light Company (AP&L) and Georgia-Pacific Corporation (GP) was filed on May 14, 1990. This Interruptible Condensing Power Agreement applicable to the GP Crossett Paper operations will replace a similar 1986 agreement which expires in September 1990. The five year Agreement was approved by the Administrative Law Judge on September 18, 1990.

Section 7. Electric Industry Summary

90-102-TF

Arkansas Valley Electric Cooperative Corporation

On June 18, 1990, Arkansas Valley Electric Cooperative (AVEC) filed and requested Commission approval for a contract and rate schedule. AVEC proposed a service contract with the City of Fort Smith to address the special conditions involved in providing electrical service to a new water plant. On July 11, 1990, Staff filed testimony recommending approval of the contract. On July 16, 1990, an Order was issued approving the contract as filed by AVEC.

90-110-TF

Arkansas Power & Light Company

On June 25, 1990, Arkansas Power & Light Company filed a revised Index to Electric Rate Schedules which incorporated rate schedule riders M7A, M40, M41, and M42. In addition, rate schedule riders M34 and M35 were deleted. The revised tariff was approved on July 10, 1990.

90-143-TF

Arkansas Power & Light Company

Arkansas Power & Light Company filed tariff revisions on August 10, 1990, proposing to increase its fee from \$2.00 to \$10.00 for non-sufficient funds checks returned by the bank. Staff filed testimony on August 16 recommending that the fee increase be approved. An Order approving the revised tariffs was issued August 21, 1990.

90-176-TF

Arkansas Power & Light Company

An Agreement for Interruptible Power between Arkansas Power & Light Company (AP&L) and Arkansas Steel was filed on September 28, 1990. The terms of the proposed Agreement are only applicable to Arkansas Steel. The terms are based upon its unique economic and operating characteristics and, with a few modifications, are virtually the same as the provisions in the currently effective Agreement. This Agreement allows AP&L to restrict or interrupt Arkansas Steel's demand during periods of high system load and encourages increased production during non-peak periods. Therefore, all AP&L customers benefit through the increased system load factor which results in a lower unit cost of electricity. The Agreement was approved on October 23, 1990.

90-194-TF

Arkansas Power & Light Company

The fifth annual update to Arkansas Power & Light Company's (AP&L) Grand Gulf Rider M33 was filed on November 1, 1990. At Staff's request, AP&L revised its filing on November 19, 1990, to reduce the carrying charge component of the M33 rates. Staff's November 27, 1990 testimony noted that in accordance with the Grand Gulf Settlement, as amended, the Rider effective for 1991 will commence the amortization and recovery of the Deferred Balance. The Arkansas Public Service Commission approved the revised tariff on December 28, 1990.

Section 7. Electric Industry Summary

90-218-TF

Arkansas Power & Light Company

Arkansas Power & Light Company filed a revision to its Index to Electric Rate Schedules on December 7, 1990. The Arkansas Public Service Commission Staff filed testimony recommending approval on December 11, 1990. The revised tariff was approved on December 12, 1990.

90-228-TF

Arkansas Power & Light Company

On December 20, 1990, Arkansas Power & Light Company refiled its existing Contingency Emergency Power Conservation and Curtailment Plan, seeking to change the Plan's designation from Section IX to Section XV. The change was requested to correct a duplicate numbering problem in the Company's Service Regulations. Because the APSC Staff found several typographical errors, the Company will be replacing this filing.

90-234-TF

Southwestern Electric Power Company

Southwestern Electric Power Company filed an amendment to its Agreement for Electric Service with Nekoosa Papers, Inc. The amendment allowed the customer special billing arrangements during a six-month period from January to June, 1991. The calculation of the customer's monthly electric bill would be revised during the "start-up" period associated with installation of a fourth paper machine, two

new turbine generators, and the addition of other associated electrical equipment.

C DOCKETS

87-136-C

**Darline Wolverton vs.
Clay County Electric Cooperative**

In response to the petition of 406 dissatisfied Clay County Electric Cooperative (Clay County) customers, this Docket was established to investigate and resolve their complaints. After a Staff investigation, a final report to the Commission was filed on January 22, 1990, stating Staff's findings and recommendations for resolution of this Complaint. By Order No. 3, Clay County was ordered to implement Staff recommendations included in a report to the Commission. In response to the Commission Order, Clay County has submitted quarterly reports summarizing its compliance with the Commission Order. Staff continues to monitor Clay County's compliance with the Commission's directives.

90-010-C

**Wayne M. Marcussen vs.
Ashley-Chicot Electric Cooperative, Inc.**

The Complainant alleged that Ashley-Chicot Electric Cooperative, Inc. (Company) disconnected his electric service without justification or proper notification. The Complainant and the Company later resolved the dispute and Order No. 3, issued April 26, 1990, dismissed the Complaint. Order No. 4, issued June 19, 1990, closed the Docket.

Section 7. Electric Industry Summary

90-035-C

**Diana Lynn Summerlin vs.
Arkansas Power & Light Company**

The Complainant, Diana Lynn Summerlin, believes her consumption for the months of November, 1989, through January, 1990, was grossly exaggerated by Arkansas Power & Light Company (AP&L).

The Staff investigated the Complaint and filed testimony. The Staff found that the Complainant's bill had been estimated for December based on previous months' usage. Due to the abnormally cold weather during December, the bill was underestimated by AP&L. The Staff recommended that the Complainant be held responsible for the bill.

Order No. 3, issued October 4, 1990, ruled that the Complainant was not entitled to any adjustment on the disputed bill and dismissed the Complaint. Order No. 4, issued November 8, 1990, closed the Docket.

90-037-C

**Iomea E. Watson vs.
Arkansas Power & Light Company**

The Complainant, Iomea E. Watson, claimed she had experienced absences of electricity through the fault of Arkansas Power & Light Company (AP&L). The Complainant's electric service was disconnected without prior notice for nonpayment of a delinquent account in her daughter's name.

The Staff investigated and filed testimony regarding AP&L's compliance with Commission Rules. Order No. 3, issued October 2, 1990, ruled that AP&L review its policies and procedures

regarding the collection of delinquent accounts and the transferral of delinquent account balances from one customer to another. Order No. 3 also dismissed the Complaint. Order No. 4, issued November 8, 1990, closed the Docket.

90-046-C

**Rogers Faust vs.
Arkansas Power & Light Company**

The Complainant, Rogers Faust, received an abnormally high electric bill in November of 1989 as a result of unexplained kilowatt-hour usage. The Complainant had contacted Arkansas Power & Light Company (AP&L), but was not satisfied with AP&L's response. The Complainant and AP&L later resolved the dispute. Order No. 4, issued July 2, 1990, dismissed the Complaint and closed the Docket.

90-052-C

**Susan T. Moore vs.
Southwest Arkansas Electric Coop.**

Filed on April 13, 1990, this Complaint involves numerous issues. The Complainant alleged improprieties in the election of the Board of Directors of Respondent; improper management practices with excessive expenditures resulting in rates that are unjust and unreasonable; subsidization by ratepayers of a related business; failure to return capital credits; inappropriate and arbitrary requirements for obtaining membership; and the improper and unlawful location of a distribution line across Complainant's property.

Order No. 2 in this Docket directed Staff to investigate the issues relating to the

Section 7. Electric Industry Summary

expenditures, rates and charges of Respondent, and also the issues dealing with the Respondent's compliance with its own rules, those of the Commission, and Arkansas statutes. A hearing on these issues was held on September 6, 1990. From October 19 through December 3, briefs were filed regarding the jurisdiction of the Commission over the election and actions of the Board of Directors. A decision by the assigned Administrative Law Judge is pending.

90-066-C

**Johnnie M. Ford vs.
Arkansas Power & Light Company**

The Complainant, Johnnie M. Ford, alleged that Arkansas Power and Light Company (AP&L) collected \$28.17 on her account that she did not owe. The Complainant also claimed that she suffered mental distress from harassing telephone calls from AP&L concerning this electric bill.

The Staff filed testimony presenting the results of its investigation including a complete review of the Complainant's billing and payment history for a twenty-one month period. The Complainant failed to appear for the hearing. Based on the evidence provided by the parties to the Complaint, however, the Administrative Law Judge ruled that the Complainant was not overcharged and was not entitled to any relief.

Order No. 3, which was issued October 10, 1990, dismissed the Complaint. Order No. 4, issued on November 26, 1990, closed the Docket.

90-122-C

**John Lowery vs.
Arkansas Power & Light Company**

The Complainant alleged that for the last twenty years, Arkansas Power & Light Company has: 1) provided electric service to his residence through a defective transformer, causing home appliances to burn out and resulting in numerous power outages; 2) overcharged him; 3) refused to accept payments on his account; 4) concealed charges on his bill; 5) falsely advertised its nightwatcher service; and, 6) concealed that electric bills in his area are higher than bills in surrounding areas. The case is pending before the Commission.

90-184-C

**Corrugated Machinery, Inc. vs.
Carroll Electric Cooperative Corp.**

On October 11, 1990, Corrugated Machinery, Inc. (Customer), filed a formal Complaint against Carroll Electric Cooperative Corp. (Carroll). The Customer complained that Carroll refused him service. On December 31, 1990, the transcript and exhibits of the hearing held December 12, 1990, were filed by Bushman Court Reporters.

A Dockets

89-263-A

**Arkansas Power & Light Company and
South Central Arkansas Electric Coop.**

Arkansas Power & Light Company requested approval to serve a customer in South Central Arkansas Electric's

Section 7. Electric Industry Summary

allocated service territory. Order No. 1, issued February 5, 1990, approved the customer release. No alterations of Certificates of Public Convenience and Necessity were required.

90-020-A

South Central Arkansas Electric Cooperative and Arkansas Power & Light Company

South Central Arkansas Electric Cooperative requested approval to serve a customer in Arkansas Power & Light Company's allocated territory. Order No. 1, issued March 21, 1990, approved the customer release and Order No. 2, dated April 30, 1990, closed the Docket.

90-030-A

Arkansas Power & Light Company and Ashley-Chicot Electric Cooperative

Arkansas Power & Light Company requested to serve a customer in Ashley-Chicot Electric Cooperative's allocated territory. Order No. 1, issued April 30, 1990, approved the release and Order No. 2, dated June 11, 1990, closed the Docket.

90-044-A

Woodruff Electric Cooperative Corporation and Arkansas Power & Light Company

Woodruff Electric Cooperative Corporation requested to serve a customer in Arkansas Power & Light Company's allocated territory. Order No. 1, issued on April 27, 1990, approved the release and Order No. 2, dated June 11, 1990, closed the Docket.

90-049-A

North Arkansas Electric Cooperative and Arkansas Power & Light Company

North Arkansas Electric Cooperative requested approval to release a customer to Arkansas Power & Light Company. Order No. 1, dated July 10, 1990, approved the release. Order No. 2, dated August 14, 1990, closed the Docket.

90-059-A

Arkansas Power & Light Company and Woodruff Electric Cooperative Corporation

Arkansas Power & Light Company requested to serve a customer in Woodruff Electric Cooperative's allocated territory. Order No. 1, issued May 14, 1990, approved the release and Order No. 2, dated June 18, 1990, closed the Docket.

90-078-A

Ashley-Chicot Electric Cooperative and Arkansas Power & Light Company

This case involved a request for a customer release from Ashley-Chicot Electric Cooperative to Arkansas Power & Light Company (AP&L). The Application was withdrawn at the request of AP&L and the Docket was closed on August 24, 1990, by Order No. 1.

90-080-A

First Electric Cooperative Corporation and Arkansas Power & Light Company

On May 21, 1990, Arkansas Power & Light Company filed a request for approval to release a customer to First Electric

Section 7. Electric Industry Summary

Cooperative Corporation. Order No. 1, dated September 20, 1990, approved the request and Order No. 2, dated October 23, 1990, closed the Docket.

90-162-A

Arkansas Power & Light Company and North Arkansas Electric Cooperative Corporation

On September 12, 1990, North Arkansas Electric Cooperative Corp. filed a letter, with appropriate attachments, requesting approval to release a customer to Arkansas Power & Light Company. Order No. 1, issued September 24, 1990, approved only the customer release with no change in allocated service territory. Order No. 2, issued on October 25, 1990, closed the Docket.

90-178-A

Arkansas Power & Light Company and Farmers Electric Cooperative Corporation

On October 3, 1990, a letter requesting a customer release from Farmers Electric Cooperative Corporation to Arkansas Power & Light Company was filed establishing the Docket. Order No. 1,

issued on October 17, 1990, approved the release and Order No. 2, dated December 11, 1990, closed the Docket.

90-233-A

Arkansas Power & Light Company and South Central Arkansas Electric Coop.

On December 26, 1990, a letter requesting a customer release from South Central Arkansas Electric Cooperative, to Arkansas Power & Light Company was filed establishing the Docket. Testimony in this Docket is pending.

F Dockets

81-071-F

Southwestern Electric Power Company

On December 20, 1990, Southwestern Electric Power Company (SWEPCO) filed a revised Purchased Power Service tariff. The revised tariff applies to small power production and cogeneration facilities of 100 Kilowatts or less and reflects the prices SWEPCO will pay for energy delivered into its system in 1991. The tariff is pending before the Commission.

Section 7. Electric Industry Summary

2. COMMISSION DOCKETS ON APPEAL

**Arkansas Supreme Court
Docket No. 89-266**

**Ozark's Electric Cooperative
Corporation vs. Harrelson
On Appeal From the Washington County
Chancery Court**

A dispute between Ozarks Electric Cooperative Corporation (Ozarks) and Harrelson resulted from a bill submitted to Harrelson by Ozarks for electrical usage not recorded on Harrelson's defective meter. Harrelson filed an action in Circuit Court seeking a temporary restraining order requiring Ozarks to reconnect service. The case was transferred to Chancery Court and the Chancellor held that the Chancery Court had jurisdiction over the dispute and that the Harrelson's owed only for estimated usage after a certain period of time.

Ozarks asserted that the Chancellor erred in denying its Motion to Dismiss for lack of subject matter jurisdiction. The Arkansas Supreme Court, relying on Act 758 of 1985 [(codified as Ark. Code Ann. Section 23-3-119 (1987))], reversed and dismissed the decision of the Chancery

Court. The Arkansas Supreme Court held that primary jurisdiction over such disputes rests with the Public Service Commission.

CA 89-272

**Great Lakes Carbon Corporation
vs. Arkansas Public Service
Commission, et al.**


On July 3, 1989, Great Lakes Carbon Corporation (GLCC) filed its Notice of Appeal from Arkansas Public Service Commission Docket No. 88-193-U, In the Matter of the Petition of Great Lakes Carbon Corporation for Declaratory Order, with the Arkansas Court of Appeals. GLCC's appeal was docketed as Case No. CA 89-272 in the Arkansas Court of Appeals. GLCC contended before the Arkansas Court of Appeals that the Commission had erred in dismissing its Petition for Declaratory Order and that the Commission's decision was contrary to the law.

On April 18, 1990, the Arkansas Court of Appeals entered a decision affirming the Commission's Orders. The Arkansas Court of Appeals held that the Commission had properly dismissed GLCC's Petition and that the Commission had correctly found that GLCC's Petition was barred as a matter of law.

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Telecommunications Industry Summary

A. Highlights of 1990

 In Arkansas in 1990, steps were taken to provide new and enhanced services, and at the same time actions were taken to ensure that the public was afforded protection and reasonableness of rates where necessary.


New services such as intraLATA 800 services and intrastate 900 services were introduced. Many other new services were also introduced and some services which had been available were used by subscribers for the first time.

The Commission approved measures to provide protection for customers from possible abuses of some new services. Specifically, blocking of 700/900 services was made available to customers in most areas of the state. Additionally, Staff undertook an investigation of the earnings of the Local Exchange Carriers to ensure that rate levels are not excessive.

The Commission approved new rules for the competitive carrier industry. Those rules were established for long distance and cellular carriers operating in competitive environments. The Staff, using the Competitive Carrier Rules and the experiences of other states, made recommendations to the Commission regarding the conditions under which Alternative Operator Service providers should be allowed to operate in Arkansas. Those recommendations are under consideration by the Commission at this time.

Staff and the telecommunications industry worked for much of the year to develop an optional calling plan. The plan would give customers some choices in tailoring long distance rate options to meet specific calling patterns. That plan has been approved by the Commission and will be implemented in the second quarter of 1991.

B. Access Lines by Class

 The pie chart which follows is a graphic representation of the number of access lines, by category, at the end of 1989. Total access lines on December 31, 1989, were 1,104,133. Of that total, 74.2% were residential and

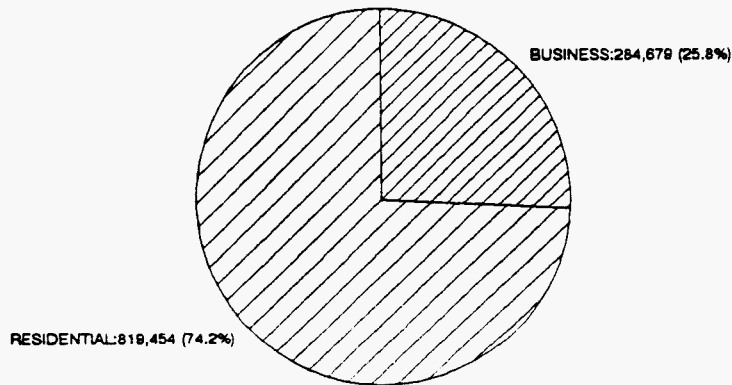
25.8% were business lines. Residential Access Lines increased from 793,852 at the end of 1988 to 819,454 at the end of 1989. Business lines increased from 270,428 in 1988 to 284,679 at the end of 1989.

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Telecommunications Industry Summary

ACCESS LINES - RESIDENTIAL & BUSINESS

December 31, 1989



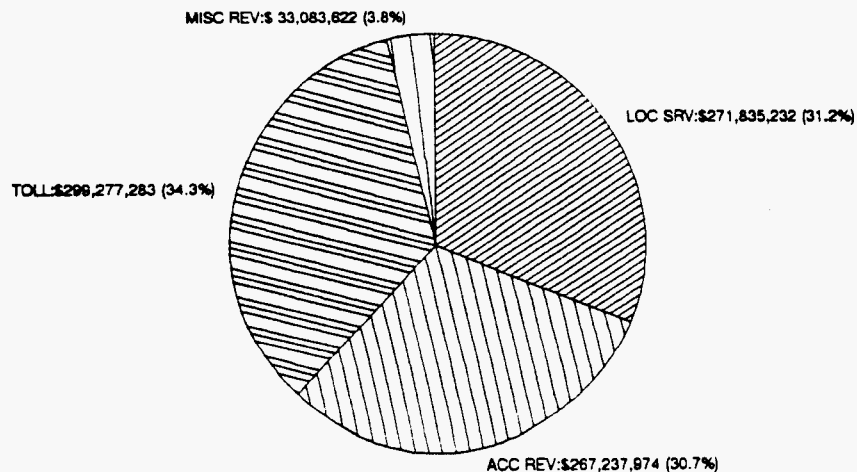
C. Telephone Revenues by Category

The following pie chart depicts the various revenue sources for the local exchange companies and AT&T during 1989. Total telephone industry revenues in Arkansas for 1989 were \$871,384,111. Toll revenue made up approximately 34.3% of that total or \$299,277,283.

Access charges generated revenues of \$267,237,974 and were shared by all companies except AT&T. Local service revenue for the year was \$271,835,232. The industry also had Miscellaneous Revenues of \$33,083,622 in 1989.

TELEPHONE REVENUES BY CATEGORY

For 1989



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Telecommunications Industry Summary

D. Statistical Summaries for Telecommunications

TELEPHONE COMPANIES-ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1989

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) GROSS REV. /INVEST.
AT&T Comm. Of The Southwest	\$73,698,151	\$160,628,647	217.95%
Alltel Arkansas, Inc.	153,442,996	45,912,995	29.92
Arkansas Telephone Co.	10,375,413	3,074,884	29.64
Caddoan Telephone Co.	18,675,714	173,528	88.90
Central Arkansas Telephone Coop.	4,712,794	1,151,990	24.44
Cleveland County Telephone Co.	8,235,275	2,477,228	30.01
Contel Of Arkansas	148,235,845	55,049,380	37.14
Contel Of Missouri	1,674,621	939,195	56.08
Contel Of Kansas	22,502,975	3,826,255	17.00
Decatur Telephone Co.	2,082,870	762,944	36.63
General Tele. Co. of the Southwest	164,796,002	54,312,699	32.96
Lavaca Telephone Co.	1,540,069	633,869	41.16
Liberty Telephone & Communications	28,158,640	10,049,591	35.69
Madison County Telephone Co.	5,446,833	1,558,072	28.61
Magazine Telephone Co.	1,211,130	394,334	32.56
Mountain Home Telephone Co.	23,991,424	7,810,193	32.55
Mountain View Telephone Co.	5,835,410	2,223,874	38.11
Northern Arkansas Telephone Co.	7,167,146	2,775,839	38.73
Perco Telephone Co.	8,282,029	2,053,505	24.79
Prairie Grove Telephone Co.	10,237,069	3,593,796	35.11
Redfield Telephone Co.	3,353,387	1,179,833	35.18
Rice Belt Telephone Co.	1,799,884	635,639	35.32
E. Ritter Telephone Co.	6,755,061	1,746,211	25.85
South Arkansas Telephone Co.	6,482,725	1,907,818	29.43
Southwest Arkansas Telephone Coop.	12,471,655	2,448,630	19.63

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Telecommunications Industry Summary

TELEPHONE COMPANIES-ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1989

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) GROSS REV. /INVEST.
Southwestern Bell Telephone Co.	1,509,744,378	487,010,028	32.26
Tri-County Telephone Co.	13,637,925	2,905,055	21.30
Union Telephone Co., Inc.	2,125,563	656,508	30.89
Walnut Hill Telephone Co.	13,229,577	5,592,865	42.27
Yelcot Telephone Co.	6,897,647	2,419,857	35.08
Yell County Telephone Co.	<u>8,428,468</u>	<u>2,359,448</u>	<u>27.99</u>
TOTALS	\$2,285,228,676	\$868,264,710	37.99%

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Telecommunications Industry Summary

TELEPHONE COMPANIES - ARKANSAS ONLY ACCESS LINES YEAR ENDED DECEMBER 31, 1989

<u>COMPANY</u>	<u>ACCESS LINES</u>	
AT&T Communications Of The Southwest	Business	NA
	Residential & Rural	NA
	Total	NA
Alltel Arkansas, Inc.	Business	13,630
	Residential & Rural	<u>58,981</u>
	Total	72,611
Arkansas Telephone Co.	Business	948
	Residential & Rural	<u>4,785</u>
	Total	5,733
Caddoan Telephone Co.	Business	29
	Residential & Rural	<u>251</u>
	Total	280
Central Ark. Tel. Coop.	Business	223
	Residential & Rural	<u>1,990</u>
	Total	2,213
Cleveland County Tel. Co.	Business	209
	Residential & Rural	<u>2,221</u>
	Total	2,430
Contel Of Arkansas	Business	12,319
	Residential & Rural	<u>61,083</u>
	Total	73,402

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TELEPHONE COMPANIES - ARKANSAS ONLY

ACCESS LINES

YEAR ENDED DECEMBER 31, 1989

<u>COMPANY</u>	<u>ACCESS LINES</u>	
Contel Of Missouri	Business	137
	Residential & Rural	<u>817</u>
	Total	954
Contel Of Kansas	Business	2,681
	Residential & Rural	<u>12,858</u>
	Total	15,539
Decatur Telephone Co.	Business	176
	Residential & Rural	<u>577</u>
	Total	753
General Telephone Co. of the Southwest	Business	21,198
	Residential & Rural	<u>59,376</u>
	Total	80,574
Lavaca Telephone Co.	Business	122
	Residential & Rural	<u>1,050</u>
	Total	1,172
Liberty Telephone & Communications	Business	2,163
	Residential & Rural	<u>11,494</u>
	Total	13,657
Madison County Telephone Co.	Business	554
	Residential & Rural	<u>2,081</u>
	Total	2,635

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Telecommunications Industry Summary

TELEPHONE COMPANIES - ARKANSAS ONLY
ACCESS LINES
YEAR ENDED DECEMBER 31, 1989

COMPANY	ACCESS LINES	
Magazine Telephone Co.	Business	131
	Residential & Rural	<u>679</u>
	Total	810
Mountain Home Telephone Co.	Business	2,879
	Residential & Rural	<u>12,023</u>
	Total	14,902
Mountain View Telephone Co.	Business	952
	Residential & Rural	<u>3,648</u>
	Total	4,600
Northern Arkansas Telephone Co.	Business	663
	Residential & Rural	<u>4,278</u>
	Total	4,941
Perco Telephone Co.	Business	386
	Residential & Rural	<u>2,739</u>
	Total	3,125
Prairie Grove Telephone Co.	Business	965
	Residential & Rural	<u>5,452</u>
	Total	6,417
Redfield Telephone Co.	Business	139
	Residential & Rural	<u>1,179</u>
	Total	1,318

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Telecommunications Industry Summary

TELEPHONE COMPANIES - ARKANSAS ONLY

ACCESS LINES

YEAR ENDED DECEMBER 31, 1989

<u>COMPANY</u>	<u>ACCESS LINES</u>	
Rice Belt Telephone Co.	Business	301
	Residential & Rural	<u>769</u>
	Total	1,070
E. Ritter Telephone Co.	Business	552
	Residential & Rural	<u>3,375</u>
	Total	3,927
South Arkansas Telephone Co.	Business	513
	Residential & Rural	<u>2,769</u>
	Total	3,282
Southwest Arkansas Telephone Coop.	Business	283
	Residential & Rural	<u>3,812</u>
	Total	4,095
Southwestern Bell Telephone Co.	Business	215,671
	Residential & Rural	<u>539,886</u>
	Total	755,557
Tri-County Telephone Co.	Business	529
	Residential & Rural	<u>4,252</u>
	Total	4,781
Union Telephone Co., Inc.	Business	135
	Residential & Rural	<u>975</u>
	Total	1,110

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Telecommunications Industry Summary

TELEPHONE COMPANIES - ARKANSAS ONLY
ACCESS LINES
YEAR ENDED DECEMBER 31, 1989

<u>COMPANY</u>	<u>ACCESS LINES</u>	
Walnut Hill Telephone Co.	Business	678
	Residential & Rural	<u>3,789</u>
	Total	4,467
Yelcot Telephone Co.	Business	485
	Residential & Rural	<u>2,184</u>
	Total	2,669
Yell County Telephone Co.	Business	594
	Residential & Rural	<u>3,448</u>
	Total	4,042
TOTAL ACCESS LINES IN ARKANSAS		1,093,066

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Telecommunications Industry Summary

E. Telecommunications Docket Activity Summary

1. COMMISSION DOCKETS

U Dockets

84-072-U

MCI Telecommunications Corporation

A hearing was held on November 27, 1990, in this Docket. Order No. 30, issued on December 20, 1990, granted a permanent Certificate of Convenience and Necessity to MCI Telecommunications Corporation. Order No. 30 also closed the Docket.

84-086-U

Compute-A-Call of Arkansas, Inc.

A hearing was held on November 27, 1990, in this Docket. Order No. 11, issued on December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Compute-A-Call of Arkansas, Inc. Order No. 11 also closed the Docket.

84-114-U

US Sprint

On July 2, 1990, US Sprint filed a tariff in this Docket proposing to change the per-minute usage rates applicable to SPRINT ADVANCED WATS PLUS, DIAL "1" WATS and ULTRA WATS. Additionally, Sprint proposed to change the minimum/maximum ranges for DIAL "1" WATS. The rate changes were

approved by the Commission on July 31, 1990.

With this filing, US Sprint proposed to introduce the Affinity Member Program, a benefit package which allows individual users who are members or employees of participating organizations, affiliated groups, or business entities, to take advantage of certain discounts. The discounts applied to standard MTS, FONCARD Service, DIAL "1" WATS, and FONLINE 800 rates. The program was approved by the Commission on July 2, 1990, with an effective date of September 1, 1990.

US Sprint filed a proposed tariff on July 30, 1990, which clarified that Volume Discount does not apply if a subscriber is billed by a local exchange company or other billing agent which does not use Sprint's package ready invoice system. Approved by the Commission, this tariff became effective on September 1, 1990.

On October 30, 1990, Sprint filed a tariff revision in this Docket proposing to decrease the per-minute usage rates and to eliminate the Volume Discount Schedule, both applicable to SPRINT service. Customers were notified of these changes by newspaper publication on October 29, 1990. On November 7, 1990, the Commission approved the changes, effective December 1, 1990.

With this filing, Sprint proposed to reduce the per-minute usage rates for: 1) On-Network to Off-Network usage; 2) Off-Network to On-Network usage; and, 3) Off-Network to Off-Network usage. Additionally, Sprint added tariff language indicating that intrastate and interstate

Section 8.

Telecommunications Industry Summary

usage would be combined to determine the volume discount. The revisions were approved on December 12, 1990.

On December 4, 1990, Sprint filed an Application proposing to decrease the per-minute usage rates for SPRINT ADVANCED WATS PLUS and ULTRA WATS, and to change the per-minute usage rates for DIAL "1" WATS. The tariffs were approved on December 17, 1990.

On December 20, 1990, Order No. 33 granted a permanent Certificate of Public Convenience and Necessity to Sprint, following a public hearing held on November 27, 1990. Additionally, Order No. 33 closed this Docket.

86-065-U

Alltel Cellular Associates

A hearing was held on November 27, 1990, in this Docket. Order No. 25, issued on December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Alltel Cellular Associates. Order No. 25 also closed the Docket.

86-089-U

Call America

A hearing was held on November 27, 1990, in this Docket. Order No. 8, issued on December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Call America. Order No. 8 closed the Docket.

87-141-U

International Telecharge, Inc.

On December 13, 1990, International Telecharge, Inc. became the first

non-facilities based telecommunications entity offering alternate operator services to have a public hearing regarding its Application for a Certificate of Public Convenience and Necessity. An Order regarding this Application has not yet been issued by the Commission.

88-002-U

Century Cellunet of Texarkana, Inc.

A hearing was held on November 27, 1990, in this Docket. Order No. 4, issued December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Century Cellunet of Texarkana, Inc. Order No. 4 also closed the Docket.

88-017-U

Fayetteville MSA Limited Partnership

With this filing, minimum requirements were proposed by Fayetteville MSA Limited Partnership d/b/a Contel Cellular of Arkansas. Under the new tariff, resellers are required to order 50 lines under the Basic Plan to obtain wholesale access. The proposal was approved by the Commission on July 5, 1990.

On May 18, 1990, Fayetteville MSA Limited Partnership d/b/a Contel Cellular of Arkansas filed a Petition for an Amended and Expanded Certificate of Public Convenience and Necessity (CCN) to Construct and Operate a Cellular Mobile Radio Telecommunications System for the Fayetteville, Arkansas, Metropolitan Statistical Area (MSA). Federal Communications Commission approval of this MSA expansion was received on August 28, 1990. On

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September 12, 1990, the Arkansas PSC granted an amended and expanded CCN.

On December 3, 1990, Order No. 11 in this Docket granted a permanent Certificate of Public Convenience and Necessity to operate a cellular mobile radio telecommunications system to Fayetteville MSA Limited Partnership. Additionally, Order No. 11 closed this Docket and record.

88-018-U

Fort Smith MSA Limited Partnership

With this Application, a minimum order requirement was proposed by Fort Smith MSA Limited Partnership d/b/a Contel Cellular of Arkansas. The new language requires an order of 50 lines under the Basic Plan in order for resellers to obtain wholesale access. The Application was approved by the Commission on July 5, 1990.

On May 18, 1990, Fort Smith MSA Limited Partnership d/b/a Contel Cellular of Arkansas (the Company) filed a Petition for an Amended and Expanded Certificate of Public Convenience and Necessity (CCN) to Construct and Operate a Cellular Mobile Radio Telecommunications System for the Fort Smith, Arkansas, Metropolitan Statistical Area (MSA). The Federal Communications Commission approval of this MSA expansion was received on August 28, 1990. On September 12, 1990, the Arkansas PSC granted the Company an amended and expanded CCN.

On December 3, 1990, Order No. 9 in this Docket granted to Fort Smith MSA Limited Partnership a permanent Certificate of Public Convenience and Necessity to operate a cellular mobile radio

telecommunications system. Additionally, Order No. 9 closed this Docket and record.

88-021-U

LDDS of Arkansas, Inc.

On December 20, 1990, Order No. 9 in this Docket granted to LDDS of Arkansas, Inc. a permanent Certificate of Public Convenience and Necessity to operate as a reseller of long distance telecommunications services. Order No. 9 also closed this Docket and record.

88-095-U

Texarkana Cellular Partnership

A hearing was held on November 27, 1990, in this Docket. Order No. 6, issued December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Texarkana Cellular Partnership. Order No. 6 also closed the Docket.

88-204-U

C.I.S. of Pine Bluff

A hearing was held November 27, 1990, in this Docket. Order No. 10, issued December 3, 1990, granted a permanent Certificate of Convenience and Necessity to C.I.S. of Pine Bluff. Order No. 10 also closed the Docket.

89-005-U

Tri-J Enterprises, Inc.

A hearing was held on November 27, 1990, in this Docket. Order No. 7, issued December 20, 1990, granted a permanent Certificate of Convenience and Necessity to Tri-J Enterprises, Inc. Order No. 7 also closed the Docket.

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89-035-U

Alltel Cellular Associates of Arkansas

A hearing was held on November 27, 1990, in this Docket. Order No. 7, issued on December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Alltel Cellular Associates of Arkansas. Order No. 7 also closed the Docket.

89-045-U

Pine Bluff Cellular Inc.

A hearing was held on November 27, 1990, in this Docket. Order No. 6, issued on December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Pine Bluff Cellular, Inc. Order No. 6 also closed the Docket.

89-072-U

Econo-Line, Inc.

A hearing was held on November 27, 1990, in this Docket. Order No. 10, issued on December 3, 1990, granted a permanent Certificate of Convenience and Necessity to Econo-Line, Inc. Order No. 10 also closed the Docket.

89-091-U

Little Rock Cellular Partnership

Order No. 5 of this Docket granted to Little Rock Cellular Partnership a permanent Certificate of Public Convenience and Necessity to operate a cellular mobile radio telecommunications system. Additionally, Order No. 5 closed this Docket and record.

89-171-U

C.I.S. of Pine Bluff, Inc.

This Docket was established to address an Application filed by C.I.S. of Pine Bluff, Inc., requesting approval of certain financial transactions. On December 29, 1989, the Commission approved the transactions as filed. Order No. 3, issued March 8, 1990, closed the Docket.

89-214-U

**Southwestern Bell Telephone Co. and
GTE Southwest, Incorporated**

General Telephone Company of the Southwest (GTE) filed an Application for a Certificate of Convenience and Necessity (CCN) to reroute the Imboden exchange toll facilities from Southwestern Bell's Black Rock exchange. GTE's proposed fiber optic cable construction would route toll circuits through their Pocahontas exchange. Order No. 3, issued February 2, 1990, granted GTE a CCN for construction of the facility. Order No. 4, issued September 27, 1990, closed the Docket upon completion of the construction project.

89-233-U

Econo-Line, Inc.

This Docket was established December 4, 1989, when Econo-Line, Inc. filed a request to acquire the telecommunications assets of Long Distance Connection of North Arkansas. The request was approved on February 20, 1990, and the Docket was closed on April 6, 1990.

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89-234-U

Contel of Arkansas

Contel of Arkansas applied for approval of new depreciation rates for its various classes of property. The Company filed a depreciation study based on December 31, 1988, plant balances in support of its proposed depreciation rate parameters. Order Number 2, issued March 20, 1990, adopted a joint motion to consolidate this Docket and the Company's request for a general rate increase filed in Docket No. 90-024-U.

89-238-U

Scott County Telephone Co.

On December 7, 1989, Scott County Telephone Company (SCTC) filed a request for a conditional Certificate of Convenience and Necessity (CCN). The Certificate was requested in order to serve unallocated territory in Scott and Polk Counties. On March 7, 1990, a public hearing was conducted in Waldron, Arkansas. On March 20, 1990, SCTC was granted a CCN, conditioned upon receipt of a low interest loan from the REA. Order No. 5, issued on May 2, 1990, closed the Docket.

89-242-U

**Mountain Home Telephone Company,
Inc.**

Mountain Home Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The

recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-243-U

Redfield Telephone Company, Inc.

Redfield Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-244-U

Century Telephone of Arkansas, Inc.

Century Telephone of Arkansas asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-245-U

Union Telephone Company, Inc.

Union Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the

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Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-250-U

South Arkansas Telephone Company, Inc.

South Arkansas Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-251-U

Decatur Telephone Company

Decatur Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-252-U

Arkansas Telephone Company, Inc.

Arkansas Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the

Commission's Rules of Practice and Procedure. The Staff filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-253-U

Yelcot Telephone Company

Yelcot Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-254-U

Rice Belt Telephone Company

Rice Belt Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-255-U

Central Arkansas Telephone Cooperative

Central Arkansas Telephone Cooperative asked to revise its depreciation rates in

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accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-257-U

Southwest Arkansas Telephone Cooperative, Inc.

Southwest Arkansas Telephone Cooperative asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-258-U

Yell County Telephone Company

Yell County Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-259-U

Tri-County Telephone Company, Inc.

Tri-County Telephone Company asked to revise its depreciation rates in

accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-260-U

Walnut Hill Telephone Company

Walnut Hill Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-261-U

Perco Telephone Company

Perco Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-262-U

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company requested approval of new depreciation rates for its plant accounts and

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an amortization treatment for a reserve deficiency in Account 2215.20-Crossbar Switching. Staff recommended that the depreciation rates be approved, but that the reserve deficiency in Account 2215.20 be addressed through a remaining life depreciation rate instead of an amortization. Thereafter, the Company withdrew its proposed treatment of the reserve deficiency in Account 2215.20. Order No. 3, issued April 30, 1990, adopted Staff's recommended depreciation rates with an effective date of January 1, 1990.

89-265-U

Mountain View Telephone Company

Mountain View Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-267-U

E. Ritter Telephone Company

E. Ritter Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. The recommendation was contingent, however, upon the Commission's adoption of the proposed rule. Order No. 2, issued January 30, 1990, granted the request.

89-270-U

Northern Arkansas Telephone Company

Northern Arkansas Telephone Company asked to revise its depreciation rates in accordance with proposed Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed the Company's request and filed testimony recommending approval. On January 26, 1990, the Commission adopted the proposed rule in Docket No. 89-247-R. Order No. 2, issued March 1, 1990, granted the Company's request.

90-025-U

Pine Bluff Cellular Services, Inc.

Pine Bluff Cellular Services, Inc. (PBCS) held a minority interest in Pine Bluff Cellular, Inc., a provider of cellular mobile service. PBCS filed an Application requesting approval to acquire the remaining stock and increase its ownership proportion to 100%. The Staff reviewed the Application and filed testimony recommending approval of the transaction. Order No. 2, issued April 5, 1990, approved the Company's request.

90-060-U

Network Services, Inc.

Network Services, Inc. filed an Application in this Docket on April 23, 1990. The Application asked for a Certificate of Public Convenience and Necessity (CCN) to Operate as a Reseller of Telecommunications Services within the State of Arkansas. On August 8, 1990, this Commission granted Network Services, Inc. an interim CCN to operate as a reseller within the State of Arkansas.

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90-069-U

C.I.S. of Pine Bluff, Inc.

C.I.S. of Pine Bluff, Inc., (C.I.S.) a provider of cellular mobile telephone service, filed an Application requesting authority to issue a corporate guaranty. On June 26, 1990, C.I.S. withdrew its Application.

90-083-U

**Prairie Grove Telephone
Company**

Prairie Grove Telephone Company (Prairie Grove) filed an Application requesting approval to revise its depreciation rates in accordance with Rule 9.15 of the Commission's Rules of Practice and Procedure. The Staff reviewed Prairie Grove's request and filed testimony recommending approval. Order No. 2 issued July 11, 1990, granted the request.

90-094-U

**Alltel Central Arkansas Cellular
Limited Partnership**

On June 8, 1990, Alltel Central Arkansas Cellular Limited Partnership (the Company) filed an Application for a Certificate of Public Convenience and Necessity (CCN). The Company requested authority to provide cellular mobile radio telecommunications service in seven (7) rural statistical areas (RSA) as designated by the Federal Communications Commission. On August 8, 1990, this Commission granted the Company the first interim CCN to provide cellular mobile radio telecommunications services within an RSA in the State of Arkansas.

On October 2, 1990, ALLTEL Central Arkansas Cellular Limited Partnership (Alltel) filed tariff revisions with the Commission proposing to replace in its entirety its current interim tariffs. Several changes were proposed, including the elimination of charges for uncompleted calls, the addition of Searcy County to the Harrison local calling area, and language clarifying the applicability of toll and roamer charges. Commission approval for these replacement tariffs was granted on October 15, 1990.

Pursuant to a public hearing held on November 27, 1990, Alltel was granted a permanent Certificate of Public Convenience and Necessity by Order No. 6 of this Docket. That Order also closed the Docket and its record.

90-101-U

**Arkansas Public Service
Commission vs.
Loyd Communications,
d/b/a Comtel Of Hot Springs**

On June 15, 1990, the Staff of the Arkansas Public Service Commission ("Staff") filed a Motion to Compel Filing of Report on Gross Revenues against Loyd Communications. The report was to be prepared and returned to the Commission by March 31, 1990 under Ark. Code Ann. Section 23-3-109. Loyd had failed to comply after several verbal and written communications with Staff. On July 3, 1990, the Commission entered an Order directing Loyd to file the report by July 13, 1990.

On July 17, 1990, Staff filed a Notice of Compliance and Motion to Close Docket after receiving Loyd Communication's report. The Docket was closed on July 31, 1990.

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90-108-U

Contel of Arkansas, Inc.

Contel of Arkansas, Inc. (Contel) applied for authority to issue and sell \$20,000,000 principal amount of its first mortgage bonds. The Staff evaluated Contel's request and filed testimony recommending approval. Order No. 3 issued August 14, 1990, granted the request.

90-116-U

Contel System Of Arkansas

Contel System of Arkansas sought to revise its depreciation rates. With the exception of account 2215.1, Step-By-Step Switching, the Company requested the depreciation rates approved in Docket No. 89-247-R. For account 2215.1, Contel System requested a depreciation rate of 20.7% which would enable recovery of the investment in this account by the anticipated final retirement date of year-end 1995. Staff filed testimony recommending approval of the Company's request and recommended that the Company file an annual retirement status report on or before March 31. Commission action on this Docket is pending.

90-117-U

Contel of Missouri, Inc.

Contel of Missouri, Inc. (Contel) applied for authority to issue and sell \$40,000,000 principal amount of its first mortgage bonds. The Staff reviewed Contel's request and filed testimony recommending approval. Order No. 3 issued August 14, 1990, granted the request.

90-163-U

**Mountain Home Telephone
Company, Inc. and
Century Telephone Company, Inc.**

On September 12, 1990, an Application was filed by both Mountain Home Telephone Company, Inc. and Century Telephone Company, Inc., requesting approval to provide joint toll facilities and requesting Certificates of Public Convenience and Necessity. Order No. 2 in this Docket allowed Alltel to intervene in the proceeding. The Application is pending, awaiting the completion of negotiations among the parties to the Docket.

90-166-U

Matrix Telecom

On September 14, 1990, Matrix Telecom (Matrix) filed an Application for a Certificate of Public Convenience and Necessity (CCN) to operate as a telecommunications reseller within the State of Arkansas. On October 16, 1990, a public hearing was held to consider Matrix's Application. On October 25, 1990, Order No. 3 granted to Matrix the state's first permanent CCN to resell intrastate telecommunications services within the State of Arkansas. As a result of this Order, Matrix also became the first reseller in Arkansas to be granted Class K status.

90-202-U

**Telephone Connections, Inc. and
LDDS of Arkansas, Inc.**

In this Docket, Telephone Connections, Inc. (TCI) and LDDS of Arkansas, Inc. ("LDDS") jointly requested

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authorization for LDDS to acquire and TCI to sell certain assets. The Application also requested approval for TCI to abandon its interim Certificate of Public Convenience and Necessity (CCN) and to cease providing telecommunications services within the State of Arkansas. On December 4, 1990, the Application of TCI and LDDS was approved. The Commission ordered TCI and/or LDDS to file a Notice upon completion of the proposed transaction, at which time the interim CCN of TCI would be cancelled. As of December 31, 1990, no such notice had been filed.

90-204-U

**Northwest Arkansas RSA Limited
Partnership**

On November 21, 1990, Northwest Arkansas RSA Limited Partnership filed an Application for authority to construct and operate a wireline cellular radio telecommunications system in the Arkansas Rural Statistical Area (RSA) 1 - Madison. In its Application, the partnership requested that the Commission grant it a Certificate of Public Convenience and Necessity (CCN) authorizing construction of a cellular mobile radio telecommunications system. The partnership stated that it would submit proposed tariffs to the Commission for approval prior to operating the system. On December 14, 1990, the Commission issued an Order granting the partnership an interim CCN until initial tariffs are approved.

90-207-U

C.I.S. of Pine Bluff, Inc.

C.I.S. of Pine Bluff, Inc., a provider of cellular mobile service, filed an

Application requesting authority to grant a mortgage on certain real property. The Staff evaluated the Company's request and filed testimony recommending approval. The Application is pending before the Commission.

90-220-U

Econo-Line, Inc.

Econo-Line, Inc. petitioned the Commission for authority to sell its assets to LDDS of Arkansas, Inc. Order Number 2, issued January 15, 1991, granted the sale of Econo-Line, Inc. to LDDS of Arkansas, Inc.

TF DOCKETS

89-158-TF

Southwestern Bell Telephone Co.

In this Docket, Southwestern Bell Telephone Company proposed a tariff that would allow customers to restrict calls originating from their exchange access line to 700 and 900 information service programs. The service, available in all Southwestern Bell exchanges that are served by an electromechanical switch, was approved by the Commission on February 23, 1990.

89-235-TF

Contel of Arkansas

With this tariff filing, Contel of Arkansas introduced a calling feature called Distinctive Ringing, which enables customers to have multiple telephone numbers associated with a single line. A distinctive ringing pattern is provided for

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each of the additional telephone numbers to facilitate identification of incoming calls. This tariff was approved by the Commission on January 3, 1990.

89-236-TF

Contel of Arkansas

89-237-TF

Contel System of Arkansas

In Docket numbers 89-236-TF and 89-237-TF, Contel of Arkansas and Contel System of Arkansas sought approval to offer the Universal Emergency Service Number (E-911) to their customers. Both Applications were approved on January 5, 1990, and the Dockets were closed on February 8, 1990.

89-241-TF

Walnut Hill Telephone Co.

On December 8, 1989, Walnut Hill Telephone Company filed a new set of tariffs to replace the currently approved tariffs in their entirety. The new tariffs were filed in response to a Commission Order to file tariffs that were fully indexed with obsolete material removed. The newly organized tariffs were approved on January 5, 1990.

89-246-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company filed a request on December 15, 1989, requesting approval to offer extended area service (EAS) to its Marion exchange. The request was approved on January 12, 1990, and closed on February 26, 1990.

89-248-TF

Alltel Service Corporation

With this filing, Alltel Service Corporation proposed to upgrade the exchanges of Greenbrier, Mulberry, DeQueen, Sheridan, Crossett and Harrison to exchange-wide one-party telephone service beginning in 1990. At the time, those exchanges were served by two-party and four-party telephone service. The tariff revision was approved on March 6, 1990.

89-264-TF

GTE Southwest Incorporated

In this Docket, GTE Southwest, Incorporated, proposed to expand its Base Rate Area in the Jacksonville area, upgrading residential four-party telephone service to residential one-party telephone service. The proposal was approved on January 18, 1990.

89-266-TF

Southwestern Bell Telephone Co.

With this tariff revision, Southwestern Bell Telephone Company proposed to introduce two new personalized services that would allow customers to manage their call traffic. Personalized Ring service would allow a customer to establish up to 3 telephone numbers on the same access line and distinguish calls to each number by a distinctive ring. The new ComCall service would allow a customer to initiate ringing on the originating line and permit conversation between extensions on that line. These services were approved by the Commission on January 8, 1990.

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89-268-TF

Cleveland County Telephone Co.

On December 27, 1989, Cleveland County Telephone Company sought approval to offer centrex-like services to its customers. The request was approved on January 24, 1990, and the Docket was closed on March 5, 1990.

89-269-TF

AT&T Communications of the Southwest

In accordance with Little Rock Ordinance No. 15706, AT&T filed a tariff revision to provide for the collection of a franchise tax in the amount of \$.004 per minute for toll calls charged to a service address within the corporate limits of the City of Little Rock. The tax is charged to the end user, collected by AT&T, and paid to the City of Little Rock. The tariff revision was approved on January 26, 1990.

90-001-TF

Mountain Home Telephone Co.

In this Docket, Mountain Home Telephone Company requested to discontinue its two-party and four-party telephone service in the exchanges of Gamaliel, Lakeview, Midway and Whiteville. Customers in those exchanges would be upgraded to one-party telephone service. Customers in the exchanges of Mallard Point, Tracy Ferry, Henderson, Mountain Home and Norfolk would be upgraded to one-party telephone service as facilities become available. The request was approved by the Commission on February 1, 1990.

90-002-TF

Contel of Missouri

Contel of Missouri filed tariff revisions to correct the paystation rate to the approved rate of ten cents. The revisions were approved on January 10, 1990, and the Docket was closed on February 26, 1990.

90-007-TF

Southwestern Bell Telephone Co.

In this Docket, Southwestern Bell proposed to revise the Fort Smith Base Rate Area boundary at one point, expanding the existing base rate area. The tariff revision was approved on January 29, 1990.

90-013-TF

GTE Southwest Incorporated

GTE Southwest Incorporated filed this tariff proposing to revise its Shared Tenant Service Tariff for customers in Texarkana, Arkansas. The revision was approved by the Commission on February 28, 1990.

90-017-TF

Lavaca Telephone Co.

In this Docket, Lavaca Telephone Company proposed to implement a charge for Directory Assistance Service. Previously, no charge was levied for use of the service. Implementing a charge ensures that the costs of providing Directory Assistance are charged only to those customers who use the service. The proposal was approved on February 27, 1990.

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90-018-TF

AT&T Communications of the Southwest

AT&T requested approval in this Docket to offer a special promotion. To apologize to its customers for a loss of service earlier in the year, AT&T proposed to offer discount calling on Valentine's Day. The request was approved on February 1, 1990, and the Docket closed on March 8, 1990.

Commission on June 19, 1986, with Liberty Telephone Company designated as the surviving company.) On October 2, 1989, the Commission approved a name change from Liberty Telephone Company to its current name, Century Telephone of Arkansas, Inc. On August 2, 1990, this Commission approved the proposed consolidated tariffs for the merged companies.

90-022-TF

Southwestern Bell Telephone Co.

With this filing, Southwestern Bell Telephone Co. proposed to add Call Detail as an optional feature for intraLATA outward WATS customers. Previously, only summary usage was available to those customers. The tariff was approved on March 14, 1990.

90-050-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company filed this tariff to offer Call Transfer Disconnect feature to the Plexar-I customer. The tariff was approved on May 2, 1990.

90-027-TF

Southwestern Bell Telephone Co.

This tariff revision proposed to change the name of Remote Call Forwarding to TeleBranch and eliminated the six month minimum service clause. The tariff was approved by the Commission on March 14, 1990.

90-051-TF

Southwestern Bell Telephone Co.

This Docket was established to consider Southwestern Bell's request to remove references to obsolete toll diverting equipment from the Company's tariffs. An Order approving this tariff was issued on April 19, 1990.

90-045-TF

Century Telephone of Arkansas, Inc.

On March 29, 1990, Century Telephone of Arkansas, Inc. filed consolidated tariffs in this Docket reflecting the approved merger of Liberty Telephone Company and Liberty Telephone & Communications, Inc. (This merger was previously approved by the

90-053-TF

GTE Southwest Incorporated

In this docket, GTE Southwest, Incorporated (GTE), submitted tariffs previously approved by the Texas Public Utility Commission which affect GTE's Texarkana, Arkansas, customers. These tariffs changed the due date for bills for telephone service and increased the number of days after which service may be disconnected if the bill has not been paid.

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On May 22, 1990, the Commission entered an Order approving this filing as applicable only to Texarkana, Arkansas, customers.

90-054-TF

GTE Southwest Incorporated

This tariff was filed to inform the Arkansas PSC of changes to GTE Southwest Incorporated's (GTE) General Exchange Tariff. The changes, which affected GTE customers in Texarkana, Arkansas, were approved by the Texas PUC. In compliance with the Texas Public Utility Regulatory Act and the Texas Commission's Substantive Rules, GTE filed tariff revisions regarding interest rates on customer deposits and adjustments for overbilling. On July 11, 1990, the Arkansas PSC issued an Order approving this filing as applicable only to Texarkana, Texas, customers.

90-055-TF

Perco Telephone Co.

Perco Telephone Company filed this tariff proposing to implement a charge for Directory Assistance Service. There had previously been no separate charge for the service. The lack of a separate charge required all customers to pay for a service that not all customers used. The tariff was approved on May 2, 1990.

90-063-TF

Cleveland County Telephone Co.

With the installation of digital switching at Rison and Kingsland, Cleveland County Telephone Company proposed to make two additional custom

calling features available to customers in those areas. The additional features were Automatic Wake Up Service and Do Not Disturb. The Commission approved the proposal on June 4, 1990.

90-064-TF

Rice Belt Telephone Co.

In this Docket, Rice Belt Telephone Company requested approval to implement a charge for Directory Assistance Service. There was previously no charge for the service. An Order approving the filing was issued on May 29, 1990.

90-065-TF

Southwestern Bell Telephone Co.

With this filing, Southwestern Bell Telephone Company requested approval to introduce Departmentalized Customer Billing Reports, a billing option for the Company's business customers. The reports are designed to summarize the current charges on a bill and sort them into departmental entities as specified by the customer. This tariff was approved by the Commission on May 29, 1990.

90-067-TF

Northern Arkansas Telephone Co.

Northern Arkansas Telephone Company asked to waive the normal service charge associated with touchtone service for a two month period. The waiver was requested to encourage customers to switch to a touchtone line. This filing was made following the installation of an auto attendant to process customer calls. In order to utilize this equipment, a customer

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must have a touchtone telephone. An Order approving the tariff was issued on May 17, 1990.

90-068-TF

GTE Southwest, Incorporated

GTE Southwest, Inc.'s (GTE) filing in this Docket requested approval to revise the exchange area boundaries between the Cabot and Hickory Springs exchange areas. Order No. 2, issued July 7, 1990, approved the revision and the related tariffs.

90-071-TF

AT&T Communications of the Southwest, Inc.

AT&T Communications of the Southwest, Inc. requested approval to offer a \$0.02 per minute discount for each AT&T 800 READYLINE intrastate minute of use to subscribers who utilize a multi-jurisdictional dedicated access line. This tariff was approved by the Commission on June 14, 1990.

90-072-TF

Central Arkansas Telephone Cooperative

In Docket No. 90-072-TF, Central Arkansas Telephone Cooperative proposed to establish a charge for Directory Assistance Service. There had previously been no charge for this service. The tariff was approved on June 8, 1990.

90-073-TF

Prairie Grove Telephone Co.

In this Docket, Prairie Grove Telephone Company proposed to establish a

charge for Directory Assistance Service. Previously, no charge was approved for this service. An Order approving this filing was issued on May 30, 1990.

90-076-TF

GTE Southwest Incorporated

GTE Southwest Incorporated (GTE) has traditionally concurred with the Wide Area Telecommunications Service Tariff as filed by Southwestern Bell Telephone Company. However, Southwestern Bell added a new billing option that provides WATS message detail. GTE does not have the capability to provide that option. Therefore, GTE made this filing to state that they do not concur with this particular offering of Call Detail. The filing was approved on May 17, 1990.

90-077-TF

AT&T Communications of the Southwest, Inc.

With this filing, AT&T Communications of the Southwest, Inc. proposed to introduce AT&T One Line WATS Service in the State of Arkansas. This is a custom switched telecommunications service which permits direct dialed calling from stations located in Arkansas to any station located inside Arkansas but outside the LATA in which the call originated. The tariff was approved by the Commission on June 13, 1990.

90-079-TF

GTE Southwest, Incorporated

GTE Southwest, Inc. filed this tariff to provide rates for Enhanced Emergency Number Service (E-911) to Texarkana,

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Arkansas. The tariff was approved June 11, 1990.

90-081-TF

Contel of Arkansas

Contel of Arkansas asked for approval to introduce an offering entitled "Guarantee Service Program." The program provides that the Company will issue a credit in an amount equal to one month's local service charge to any customer who experiences an out-of-service condition on his line that is not corrected within 24 hours. The Commission approved the filing on June 21, 1990.

90-082-TF

Contel System of Arkansas

Contel System of Arkansas asked for approval to introduce an offering titled "Guarantee Service Program." The program provides that the Company will issue a credit in an amount equal to one month's local service charge to any customer who experiences an out-of-service condition on his line that is not corrected within 24 hours. The Commission approved the filing on June 21, 1990.

90-085-TF

Alltel Service Corporation

Alltel Service Corporation has traditionally concurred with the Wide Area Telecommunications Service Tariff as filed by Southwestern Bell Telephone Company. However, Southwestern Bell added a new billing option that provides WATS message detail. Because Alltel does

not have the capability to provide that option, a tariff was filed to state that they do not concur with this particular offering of Call Detail. An Order approving the filing was issued on June 5, 1990.

90-088-TF

Decatur Telephone Company

Decatur Telephone Company filed this tariff to provide Enhanced Emergency Number Service (E-911) to Benton County. The tariff was approved on June 13, 1990, and the Docket was closed on July 19, 1990.

90-091-TF

Alltel Arkansas, Inc.

With this filing, Alltel Arkansas, Inc. proposed to offer to its customers 700 and 900 Call Restriction. The new service is a central office feature that allows customers to restrict 700 and 900 prefix outgoing calls from being placed over their exchange access lines. This service is available free of charge to residential customers, churches, schools, and charitable organizations. It is also available to business customers for a nonrecurring charge of \$20.00. This Commission approved the new service offering on July 13, 1990.

90-092-TF

Alltel Service Corporation

In this Docket, Alltel Service Corporation proposed a tariff that would give its customers the ability to place local coin calls using telephone credit cards. An Order approving this tariff was issued on June 15, 1990.

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90-093-TF

GTE Southwest Incorporated

With this filing, GTE Southwest, Incorporated, proposed to revise the Corning, Delaplaine, Knobel-McDougal and Success exchanges' EAS Rate Group from Rate Group I to Rate Group II. All four exchanges exceeded their exchange access arrangement limitations for Rate Group I for a period in excess of 120 days. The filing also added Ravenden Springs in the Imboden exchange as a Special Rate Area, as approved by this Commission in Docket No. 89-173-TF. On July 6, 1990, an Order was issued approving this filing.

90-095-TF

Contel System of Arkansas

Contel System of Arkansas made this filing to remove the Trip Charge from their current tariffs. The Company stated they anticipated a greater level of customer satisfaction after removing the charge. The filing was approved July 2, 1990.

90-097-TF

AT&T Communications of the Southwest, Inc.

This proposed tariff revision brings AT&T's Arkansas intrastate 2.4 kbps and 4.8 kbps DATAPHONE Digital Service into price parity with AT&T's intrastate 9.6 kbps DATAPHONE Digital Service. The revision was approved on June 26, 1990.

90-098-TF

Walnut Hill Telephone Co.

In this Docket, Walnut Hill Telephone Company proposed two changes. The first

was to offer 700/900 Call Restriction, a central office feature that allows customers to restrict outgoing calls from being placed over their exchange access lines. The second was to implement a charge for calls in excess of two calls per month per access line for Directory Assistance. On July 13, 1990, the Commission issued an Order approving both tariff revisions.

90-099-TF

Madison County Telephone Company

On June 14, 1990, Madison County Telephone Company filed a tariff revision proposing to establish new Base Rate Areas for the Aurora and Forum exchanges. The designation of Base Rate Areas establishes guidelines for applying mileage charges and construction costs. An Order approving these revisions was issued on July 9, 1990.

90-100-TF

Contel of Arkansas, Incorporated

Contel of Arkansas, Inc., filed this tariff to reclassify the Pea Ridge exchange to one-party flat rate service and to remove all mileage charges outside the base rate area. The tariff was approved on July 6, 1990.

90-106-TF

Prairie Grove Telephone Company

In this Docket, Prairie Grove Telephone Company (Prairie Grove) filed a new local exchange tariff. Prairie Grove planned to replace the currently approved tariff in its entirety. The revisions were proposed to remove outdated or duplicative language and to establish a modern format consistent with those of

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other Arkansans. No changes to rates were made in this filing. On August 14, 1990, the Commission approved the new tariffs, replacing the existing tariffs in their entirety.

90-109-TF

Alltel Cellular Associates of Arkansas, Inc.

With this filing, Alltel Cellular Associates of Arkansas, Inc. (Alltel) proposed a new charge for other cellular carriers whose customers receive roaming service from Alltel. The charge equalled the amount Alltel pays to those carriers for roaming services provided to Alltel's customers. The tariff was approved on July 10, 1990.

90-112-TF

AT&T of the Southwest, Inc.

AT&T of the Southwest, Inc. (AT&T) introduced AT&T ALL PRO WATS for the State of Arkansas in this Docket. The new service entitles interstate AT&T ALL PRO WATS subscribers to a 10% discount on the per minute rates for AT&T PRO WATS Arkansas. There is no additional monthly charge and no separate installation fee for the service. On July 10, 1990, the Commission approved the tariff.

90-113-TF

GTE Southwest Incorporated

This tariff was filed to inform the Commission of changes to the Texas General Exchange Tariff approved by the Texas PUC. The changes affected GTE South-

west Incorporated (GTE) customers in Texarkana, Arkansas. In compliance with the Texas Commission's Substantive Rules, GTE filed tariff revisions changing the number of days required for advance notification of service disconnection. Tariff language concerning Private Pay Telephone Service was also changed. On July 20, 1990, this Commission issued an Order approving the changes for GTE's Texarkana, Arkansas, customers.

90-115-TF

South Arkansas Telephone Company

South Arkansas Telephone Company proposed a tariff revision reducing the rate for business and residential one-party service both inside and outside the Base Rate Area in the Banks exchange. The revision was proposed to maintain consistency between the 4 South Arkansas Telephone Company's exchanges. The Commission approved this filing on July 10, 1990.

90-118-TF

Mountain Home Telephone Company

On July 9, 1990, Mountain Home Telephone Company filed a tariff requesting to expand the Base Rate Area of the Mountain Home exchange to include the northern portion of the exchange territory. This expansion will permit an upgrade to one-party service for customers in the Clarksridge area. Mileage charges were also eliminated for customers in the expanded territory. On July 17, 1990, a Commission Order was issued approving the expansion.

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90-119-TF

GTE Southwest Incorporated

In this Docket, GTE Southwest, Incorporated (GTE) proposed to offer 700/900 Call Restriction to its customers. The new service is a central office feature that allows customers to restrict outgoing 700 and 900 prefix calls from being placed over their exchange access lines. This service is available free of charge to residential customers, churches, schools, and charitable organizations. It is also available to business customers for a nonrecurring charge of \$8.00. This offering was approved on July 13, 1990.

90-123-TF

AT&T Communications of the Southwest, Inc.

With this filing, AT&T Communications of the Southwest, Inc. (AT&T) proposed to reduce their rates for AT&T MEGACOM WATS, AT&T MEGACOM 800 and AT&T 800 READYLINE services. The reductions were to affect flow through amounts AT&T anticipated receiving as part of a true-up with the Arkansas IntraLATA Toll Pool. The true-up was ordered in Docket No. 87-169-U. Additionally, the tariff reduced AT&T's Software Defined Network rates for Schedules A and B and increased the discount for AT&T's MEGACOM WATS. These proposed revisions were approved by the Commission on August 1, 1990.

90-124-TF

Alltel Arkansas, Inc.

In this tariff, Alltel Arkansas, Inc. requested approval to offer a new service

offering called ALLTEL Digital Centrex. The tariff was approved on August 16, 1990.

90-126-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company (SWB) asked for Commission approval to remove language which allowed SWB to be the sole provider of Public Safety Answering Point equipment. The request was approved August 8, 1990.

90-128-TF

GTE Southwest Incorporated

The purpose of this filing was to clarify the rate elements associated with Foreign Exchange Service for both the open end and the closed end service. Approval was given by this Commission on July 31, 1990.

90-129-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company requested approval to offer a new service which would allow the connection of customer-owned coinless public telephones. The tariff was suspended pending the outcome of generic Docket No. 90-209-U, which was established to address customer-owned coinless public telephones.

90-131-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company filed a proposed tariff to introduce a new custom calling feature called Call Forwarding Busy Line/Don't

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Answer. The tariff was approved on August 24, 1990.

90-134-TF

Perco Telephone Company

In this Docket, Perco Telephone Company proposed to offer 700/900 Call Restriction to its customers. The new service is a central office feature that allows customers to restrict outgoing 700 and 900 prefix calls from being placed over their exchange access lines. The service is available free of charge to residential customers, churches, schools, and charitable organizations. Business customers pay a nominal, one time only, nonrecurring charge. This Commission approved the offering on August 28, 1990.

90-136-TF

AT&T Communications of the Southwest, Inc.

AT&T Communications of the Southwest, Inc. (AT&T) proposed to increase its intrastate rates for Customer Dialed Calling Card, Operator Station and Person-to-Person calls and requested that the Conference Service set-up charge mirror AT&T's interstate prices for those services. The filing also introduced service charges for Busy Line Verification and Busy Line Interrupt. To offset the price increases, AT&T proposed an average reduction of 6.7% to the per minute rates for Message Telecommunications, PRO WATS Arkansas and ALL PRO WATS in Arkansas services. Also proposed was a reduction in the PRO WATS Arkansas recurring charge from \$12.00 per month to \$5.00 per month. The filing was approved by this Commission on August 29, 1990.

90-137-TF

AT&T Communications of the Southwest, Inc.

On August 1, 1990, AT&T Communications of the Southwest, Inc. (AT&T) filed a tariff revision proposing to apply a 17% discount to certain charges. Affected were intrastate interLATA Arkansas MTS, PRO and ALL PRO WATS usage charges reflected on bills generated September 1, 1990, through January 31, 1991. The discount was proposed to flow through the net amount of any outstanding access charge reductions that AT&T experienced from January 1, 1988, through and including June 30, 1990. The reduction resulted from Commission actions in Docket Nos. 86-159-U and 86-160-U. As a result of negotiations between the Staff of the Arkansas PSC and AT&T, the filing was amended to reflect a permanent reduction in these usage charges, in compliance with Arkansas statutory law. The reductions were approved by the Commission on October 9, 1990, with an effective date of October 15, 1990.

90-140-TF

E. Ritter Telephone Company

E. Ritter Telephone Company requested approval in this Docket to upgrade its system to all one-party flat rate service and to remove all mileage charges outside the base rate area. The request was approved on August 27, 1990.

90-141-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company requested approval to introduce

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Family Space Listing as a new service in the Directory Listing Section. The new listing is designed to give residence customers the option of printing the first names of family members within a customized space. On September 4, 1990, the Commission approved this tariff.

90-142-TF

Southwestern Bell Telephone Co.

In this tariff, Southwestern Bell Telephone Company asked to change its language covering billing restrictions to allow billing for collect emergency Busy Interrupt. The tariff was approved September 10, 1990.

90-144-TF

Tri-County Telephone Company

In this Docket, Tri-County Telephone Company proposed a Directory Assistance charge for calls in excess of 2 per month per access line. On September 20, 1990, the Commission issued an Order approving this tariff.

90-147-TF

Madison County Telephone Company

Madison County Telephone Company proposed this tariff to implement a rural one-party rate. The tariff also eliminated mileage charges applicable outside of the Base Rate Areas. The Commission approved this filing on August 30, 1990.

90-148-TF

GTE Southwest Incorporated

On August 23, 1990, GTE Southwest Incorporated (GTE) filed a tariff

proposing to establish the O'Kean Special Rate Area in the Pocahontas exchange. As a result of the filing, many four-party customers were upgraded to one-party service and mileage charges were eliminated for others. On September 7, 1990, the Commission issued an Order approving this tariff.

90-149-TF

Cleveland County Telephone Company

In this Docket, Cleveland County Telephone Company requested to reduce the monthly rate for Helpline Service for both business and residential customers. Helpline is a custom calling feature that provides automatic placement of a call to a pre-selected directory number upon detection of an origination. No dialing is required by the calling party to complete the call. The Commission approved this filing on August 31, 1990.

90-150-TF

Decatur Telephone Company

With this filing, Decatur Telephone Company proposed to introduce Helpline, a custom calling feature which provides automatic placement of a call to a pre-selected directory number upon detection of an origination. No dialing is required by the calling party to complete the call. On September 20, 1990, the Commission issued an Order approving this tariff.

90-153-TF

Contel of Missouri, Inc.

Contel of Missouri, Inc. filed this request to modify the name, rates, and

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structure of Contel's Enhanced Business Services and Contel's Enhanced Business System-II Service. The request was approved September 24, 1990.

90-154-TF

Contel of Arkansas, Inc.

Contel of Arkansas, Inc. asked Commission approval to modify the name, rates, and structure of Contel's Enhanced Business Services and Contel's Enhanced Business System-II Service. The tariff was approved September 24, 1990.

90-156-TF

Southwestern Bell Telephone Co.

In this Docket, Southwestern Bell Telephone Company asked Commission approval to restructure its Emergency Number Tariff. The tariff was approved September 5, 1990.

90-157-TF

GTE Southwest Incorporated

GTE Southwest Incorporated filed this tariff to establish rates for providing emergency number service (911) to Columbia County. The tariff was approved September 27, 1990.

90-158-TF

GTE Southwest Incorporated

In this Docket, GTE Southwest Incorporated (GTE) introduced Smart Ring and Fixed Call Forwarding, 2 new Smart Call features. Smart Ring allows distinctive ringing to be applied to an individual line, distinguishing a call placed to a main number or a "Smart Ring"

number by the unique ring. Where facilities permit, Fixed Call Forwarding allows a customer to permanently transfer all incoming calls to another telephone number within the exchange or on the long distance telecommunications network. On September 26, 1990, the Commission approved this filing.

90-159-TF

Contel of Missouri (Arkansas), Inc.

With this filing, Contel of Missouri, which serves approximately 954 customers in Arkansas, proposed to replace Contel's current Arkansas Tariff in its entirety. As the result of Missouri Docket No. TF-89-106, Contel of Missouri agreed to decrease local service rates by \$2,000,000. In order for Contel of Missouri's Arkansas customers to gain the benefit of this local service rate reduction, the Company filed the new rates for approval by the Arkansas Commission. The proposed tariffs also removed obsolete material and updated the tariffs where necessary to assure continued compliance with current General Service Rules. On December 18, 1990, the Commission issued an Order approving both the reduced rates and the new tariff language.

90-160-TF

Arkansas Telephone Company

In this Docket, Arkansas Telephone Company proposed to offer 700/900 Call Restriction to its customers. The new service is a central office feature that allows customers to restrict outgoing 700 and 900 prefix calls from being placed over their exchange access line. This service is available free of charge to residential

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customers, churches, schools, and charitable organizations. Business customers pay a nominal, one time only, nonrecurring charge. This Commission approved the offering on September 21, 1990.

90-161-TF

Tri-County Telephone Company

In this Docket, Tri-County Telephone Company proposed to offer 700/900 Call Restriction to its customers. The new service is a central office feature that allows customers to restrict outgoing 700 and 900 prefix calls from being placed over their exchange access lines. This service is available free of charge to residential customers, churches, schools, and charitable organizations. Business customers pay a nominal, one time only, nonrecurring charge. This Commission approved the offering on September 21, 1990.

90-164-TF

GTE Southwest Incorporated

GTE Southwest Incorporated (GTE) proposed to establish the Datto Special Rate Area in the Success exchange. With the establishment of a Special Rate Area, four-party customers are upgraded to one-party service, and excess mileage is eliminated for others. This tariff was approved by the Commission on September 25, 1990.

90-165-TF

Contel System of Arkansas

Contel System of Arkansas, Inc. requested approval to: (1) include rates and conditions for Custom Calling Plus

(CLASS) Service; and, (2) to restructure its Custom Calling Service by offering credits for multiple features rather than packages of services. The tariff was approved October 9, 1990.

90-170-TF

Southwestern Bell Telephone Co.

With this tariff filing, Southwestern Bell Telephone Company proposed to offer additional services to its MicroLink I customers. The tariff was approved by Order No. 1 on September 20, 1990. Docket No. 2, dated December 5, 1990, closed the Docket.

90-171-TF

Alltel Service Corporation

On September 24, 1990, ALLTEL Service Corporation proposed to eliminate Regular and Improved Mobile Telephone Service from its service offering in Crossett, Arkansas. At the time of the filing, ALLTEL had no customers subscribing to this particular service. On October 11, 1990, the Commission approved the tariff.

90-172-TF

Contel of Arkansas, Inc.

On September 26, 1990, a letter requesting revisions to the Booneville, Ratcliff and Paris exchanges was filed by Contel of Arkansas, Inc. Order No. 1, issued October 23, 1990, approved the exchange boundary revision. Order No. 2, issued December 11, 1990, closed the Docket.

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90-173-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company requested approval to restructure its existing tariff to add specific language authorizing a process for temporary special promotional offerings. The tariff was approved on October 4, 1990.

90-175-TF

GTE Southwest Incorporated

With this filing, GTE Southwest Incorporated proposed to add Imboden, Jesup, England, Beggers-Reyno, and Maynard to the exchanges served from an electronic digital central office. This filing was approved on October 11, 1990.

90-181-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company filed this tariff to introduce a new service offering, Telecommunications Service Priority (TSP). TSP establishes a priority installation and/or restoration of the National Security Emergency Preparedness telecommunications service. The tariff was approved on October 26, 1990.

90-182-TF

Southwestern Bell Telephone Co.

Southwestern Bell filed this tariff to revise the Marion and West Memphis base rate area boundaries (BRA) by expanding a portion of the West Memphis BRA into the Marion BRA. The revision was requested in order to allow all of the

Marion High School complex to be within the Marion BRA. The proposed tariff was approved by the Commission on October 26, 1990.

90-185-TF

Yell County Telephone Company

In this Docket, Yell County Telephone Company (Yell County) filed a proposed tariff to offer its customers, where facilities permit, 700/900 Call Restriction. Yell County proposed to offer the service free of charge to residential customers, churches, schools and charitable organizations. Business customers pay a nominal, one time only, nonrecurring charge. On November 9, 1990, the Commission approved the request.

90-186-TF

South Arkansas Telephone Company

In this Docket, South Arkansas Telephone Company filed a proposed tariff to offer its customers, where facilities permit, 700/900 Call Restriction. The Company proposed to offer the service free of charge to residential customers, churches, schools and charitable organizations. Business customers pay a nominal, one time only, nonrecurring charge. On November 9, 1990, the Commission approved the request.

90-187-TF

South Arkansas Telephone Company

On October 15, 1990, South Arkansas Telephone Company requested approval to implement a Directory Assistance Charge of \$.25 for each directory assistance call in excess of 3 calls per month per

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access line. Operator-assisted, credit card, or third party charge calls would be billed at a \$.40 per call rate. At the time the request was filed, there was no charge for any type of directory assistance call. On November 28, 1990, the Commission issued an Order approving the proposed tariff.

90-189-TF

GTE Southwest Incorporated

This tariff was filed to inform the Commission of approved changes to the Texas General Exchange Tariff that affected GTE customers in Texarkana, Arkansas. The changes included the introduction of Smart Ring, a calling feature that permits distinctive ringing to be applied to a subscriber's individual line. The revisions also included language regarding interim approval from the Texas PUC for Project 9089, a proposed Commission Substantive Rule regarding the blocking of calls to information providers. Additionally, the revisions established 900 Call Restriction as an offering to residence and business single party local exchange service customers and modified GTE's 976 Call Restriction already offered in the tariffs. The Commission issued an Order approving this filing on November 15, 1990.

90-190-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company requested approval to extend the MegaLink I multistation arrangement optional service feature to 56 kilobits per second (kbps) service. The tariff was approved on October 26, 1990.

90-191-TF

AT&T Communications of the Southwest, Inc.

On October 19, 1990, AT&T filed tariffs proposing changes to its Arkansas 1.544 Mbps Digital Service Tariff that would restructure the format similar to the current AT&T F.C.C. No. 9/11 interstate tariff. These changes were proposed to enhance the attractiveness of 1.544 Mbps Digital Service in Arkansas and to help stimulate new intrastate demand for the service. The Commission approved these revisions on November 6, 1990.

90-192-TF

Southwestern Bell Telephone Co.

In this Docket, Southwestern Bell proposed to introduce Common Line 800 Service, which would allow termination of 800 service calls to local exchange service facilities rather than Wide Area Telecommunications Service ("WATS") access lines. This service represents the introduction of a service using Southwestern Bell's new 800 data base and Common Channel Signaling System 7 technology. The tariffs were approved on November 19, 1990.

90-199-TF

Contel System of Arkansas, Inc.

Contel System of Arkansas, Inc. filed this tariff to include the rates and conditions associated with Direct Inward Dialing Service (DID). DID permits incoming calls from the exchange network to reach a specific number within a customer system without the assistance of

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an attendant. The tariff was approved on December 13, 1990.

90-201-TF

Union Telephone Company

On November 16, 1990, Union Telephone Company requested approval in this Docket to provide the Emergency Number Service (E911) to Junction City and Dodge City. The Commission approved the tariff by Order No. 1, dated December 14, 1990.

90-208-TF

AT&T Communications of the Southwest, Inc.

On November 27, 1990, AT&T filed tariffs proposing to introduce 56/64 Kbps (kilobits per second) Switched Digital Service. The new service offers customers a dialable digital service capable of switching simultaneous two-way transmission, of 56 or 64 Kbps per second of data, depending on the capability provided by the access lines. On December 12, 1990, the Commission issued an Order approving the proposed tariffs.

90-210-TF

Lavaca Telephone Company

On December 4, 1990, Lavaca Telephone Company requested approval in this Docket to provide the Emergency Number Service (911) to Sebastian County. The Commission disapproved sheets 4, 5 and 10, and approved all other sheets in this tariff by Order No. 1, dated December 20, 1990, .

90-211-TF

Alltel Service Corporation

With this filing, Alltel proposed to convert the Berryville and Fordyce exchanges to exchange-wide one-party service beginning in 1991. Additionally, these tariffs finalized the conversion of the Greenbrier, Mulberry, DeQueen, Sheridan, Crossett, and Harrison exchanges to exchange-wide one-party rate groups. The conversion was approved and the exchanges were fully converted to exchange-wide one-party service in 1990. An Order approving the tariffs has not yet been issued by this Commission.

90-212-TF

Alltel Service Corporation

In this Docket, Alltel proposed to increase the non-recurring charge for returned checks to \$10.00 from \$5.00 for Allied exchange customers and from \$3.00 for Boone and AUC exchange customers. An Order approving the request was issued on December 12, 1990.

90-230-TF

GTE Southwest Incorporated

On December 20, 1990, GTE Southwest Incorporated requested approval from this Commission to revise their statement of concurrence with the Southwestern Bell Telephone Company Wide Area Telecommunications Service (WATS) Tariff. The revision would indicate that GTE does not concur with Southwestern Bell's Common Line 800 Service. A hearing has been set for January 4, 1991.

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90-232-TF

Southwestern Bell Telephone Co.

Southwestern Bell Telephone Company filed this tariff on December 21, 1990, requesting approval to revise its Custom Plexar telephone service tariff. A hearing in this Docket is scheduled for January 18, 1991.

C Dockets

89-179-C

**Milton A. DeJesus vs.
Southwestern Bell Telephone Co.**

The Complainant, Milton A. DeJesus, alleged that the reconnection fee charged by Southwestern Bell Telephone Company (SWB) following a lawful suspension of service for nonpayment of his bill was improper. The Complainant and SWB later resolved the dispute. Order No. 3, issued December 6, 1989, dismissed the Complaint. Order No. 4, issued January 19, 1990, closed the Docket.

89-183-C

**Dorothy-Ross Lawhon vs.
Southwestern Bell Telephone Co.**

The Complainant, Dorothy-Ross Lawhon, alleged she was billed for numerous calls which were not made from her telephone. The Complainant and the Respondent, Southwestern Bell Telephone Company later resolved the Complaint. Order No. 4, issued November 21, 1989, dismissed the Complaint. Order No. 4, issued January 2, 1990, closed the Docket.

90-006-C

**Mr. and Mrs. Norman Boyer vs.
GTE Southwest Incorporated**

The Complainants requested an exchange boundary revision between GTE Southwest Incorporated and Century Telephone Company. The requested revision would allow the Complainants to obtain telephone service from Century's Evening Shade exchange rather than from GTE's Jessup exchange. Order No. 3 issued June 22, 1990, dismissed the Complaint.

90-090-C

**Henry L. Chamberlain vs.
Contel of Arkansas**

The Complainant, Henry L. Chamberlain, claimed that Contel of Arkansas (Contel) erroneously charged his account with third-party calls not made by him or his family. The Complainant did not pay for these third-party calls and Contel suspended service for non-payment.

The Staff investigated and filed testimony recommending that the Complainant be held responsible for the calls. The Complainant and Contel later resolved the dispute. Order No. 5, issued September 13, 1990, dismissed the Complaint and closed the Docket.

90-215-C

**Alert Alarm System, Inc. vs.
Southwestern Bell Telephone Co.**

On December 7, 1990, the Complainant, Alert Alarm System, Inc., filed a formal Complaint alleging that it experienced a financial burden due to

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incorrect billing by Southwestern Bell Telephone Company (SWB). The Complainant stated that this financial burden occurred because SWB billed the Complainant for a phone line that was not the Complainant's. On December 21, 1990, SWB filed an Answer to the Complaint. This Docket is pending, awaiting an Order from the Commission to schedule the hearing.

A Dockets

89-148-A

**Southwestern Bell Telephone Company
and Alltel Service Corporation**

Southwestern Bell Telephone Company filed an Application requesting approval of a release of territory from its Mena Exchange. The release was requested in order to provide telephone service to a customer located in Alltel's Oden Exchange. Commission Order No. 2, issued on December 4, 1989, approved the Application. Order No. 4, issued on March 5, 1990, closed the Docket.

89-195-A

GTE Southwest Incorporated

GTE Southwest, Inc. filed an Application requesting approval of an Exchange Boundary revision between its Gillett and DeWitt Exchanges. The revision was requested to provide telephone service to the Double Deuce Hunting Club. Commission Order No. 1, issued on January 17, 1990, approved the Application filed in this matter. Order No. 2, issued on March 26, 1990, closed the Docket.

89-249-A

**Contel of Arkansas
and Southwestern Bell Telephone Co.**

Southwestern Bell Telephone Company requested approval to add a portion of territory previously allocated to Contel of Arkansas (Contel) to its Bentonville exchange. Contel agreed to the release. Order No. 1 approved the release and Order No. 2, issued March 3, 1990, closed the Docket.

90-003-A

**Prairie Grove Telephone Company
and Southwestern Bell Telephone Co.**

Southwestern Bell Telephone Company filed an Application requesting approval of a release of territory from Prairie Grove Telephone Company's Farmington Exchange. The proposed release modified both Companies Certificates of Public Convenience and Necessity (CCN). Commission Order No. 1, issued on January 1, 1990, approved the Application. Order No. 2 closed the Docket.

90-042-A

**Alltel Telephone Company
and Southwestern Bell Telephone Co.**

A letter was filed on March 22, 1990, by Southwestern Bell Telephone Company agreeing to accept territory previously allocated to Alltel Telephone Company (Pangburn Exchange). On the same date, Alltel filed a letter agreeing to release the territory. On April 19, 1990, Order No. 1 was issued approving the release of territory. Order No. 2 closed the Docket on May 23, 1990.

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90-957-A

**GTE Southwest, Incorporated
and Southwestern Bell Telephone Co.**

Southwestern Bell Telephone Company (SWB) filed an Application requesting approval to add a portion of GTE Southwest, Inc.'s (GTE) Imboden exchange to SWB's Black Rock Exchange. Commission Order No. 2, issued on August 13, 1990, approved the Application, which modified both Companies' Certificates of Convenience and Necessity and their related tariffs.

90-183-A

Southwestern Bell Telephone Co.

On October 10, 1990, a letter was filed by Southwestern Bell Telephone Company requesting approval to revise the exchange area boundaries of the Marion and West Memphis exchanges. On December 5, 1990, Staff filed testimony. The Docket is pending, awaiting an Order approving the tariffs.

90-195-A

**Alltel Telephone Company, Inc.
and Arkansas Telephone Company**

On November 1, 1990, Alltel Telephone Company filed an Application requesting approval to add a portion of Arkansas Telephone Company's Clinton exchange to Alltel's Marshall Exchange. On December 11, 1990, the prepared testimony of Guy Olmstead was filed recommending approval. Order No. 1, issued December 17, 1990, approved the Application and modified the Certificates of Convenience and Necessity for both utilities.

90-196-A

Alltel, Inc.

On November 1, 1990, a letter was filed by Alltel, Inc., requesting approval to revise its Wilmont exchange to include a small portion of unallocated area in Chicot County. On November 27, 1990, the prepared testimony of Guy Olmstead was filed. This Docket is pending, awaiting an Order approving the tariff revisions.

90-197-A

Alltel Arkansas, Inc.

An Application to revise the exchange boundaries of Alltel Arkansas' Berryville and Rudd Exchanges was filed on November 1, 1990. Order No. 1, issued November 30, 1990, approved the Application.

90-216-A

Contel of Arkansas, Inc.

On December 7, 1990, Contel of Arkansas, Inc. filed a letter requesting approval to transfer a portion of its Elm Springs Exchange to Contel System of Arkansas' Siloam Springs Exchange. This Docket is pending awaiting the filing of testimony.

90-217-A

Contel System of Arkansas, Inc.

On December 7, 1990, Contel System of Arkansas filed a letter requesting approval to revise the Siloam Springs Exchange area to accept a portion of Contel of Arkansas' Elm Springs Exchange area. This Docket is pending, awaiting a final Order.

Section 8.

Telecommunications Industry Summary

90-219-A

Southwestern Bell Telephone Co.

On December 10, 1990, an Application was filed by Southwestern Bell Telephone Company requesting approval to revise the boundaries of the Bentonville and Gravette exchange areas. On December 20, 1990, testimony was filed by Guy Olmstead recommending approval of the tariff revision. This Docket is pending, awaiting a final Order.

90-221-A

Contel of Arkansas, Inc.

On December 12, 1990, an Application was filed by Contel of Arkansas, Inc. (Contel) requesting approval to revise Contel's Dumas exchange to include a portion of unallocated area along the Arkansas River in Desha County. On December 19, 1990, testimony was filed by Guy Olmstead recommending approval of the revision. This Docket is pending, awaiting a final Order.

TD DOCKETS

90-130-TD

Paragould Cablevision, Inc.

On July 16, 1990, the Commission's Tax Division received a letter dated July 11, 1990, from an agent of Paragould Cablevision, Inc. (Paragould). The agent was "protesting" the Tax Division's 1990 valuation of Paragould at \$303,350.00. The letter was filed with the Commission Secretary on July 25, 1990, and was treated as a valid "petition for review" pursuant to A.C.A. Section 26-26-1610 (b)(1). The matter was delegated to a Commission ALJ on October 1, 1990, who set the matter for hearing on October 30, 1990. On October 22, 1990, the Commission Secretary received a letter from Paragould advising that the "petition for review" of the Tax Division's assessment of its property was withdrawn. On October 23, 1990, the ALJ cancelled the hearing set in the matter and the Docket was closed on November 20, 1990.

Section 9. Water Industry Summary

A. Highlights of 1990

In 1988, the Fourth Extraordinary Session of the 76th General Assembly passed Act 21. As a result, in 1990, customers of Riviera Utilities of Arkansas, Inc. were brought under the jurisdiction of the Commission. Finding in favor of Staff's recommendations, the Commission's Administrative Law Judge (ALJ) found that the petition of that company's customers met the criteria of the legislation. The ALJ also found that the water company was now subject to the jurisdiction of the Commission. The water company was ordered to file proposed rates with the Commission in December 1990. The Staff will present its recommendations on the rates in early 1991.

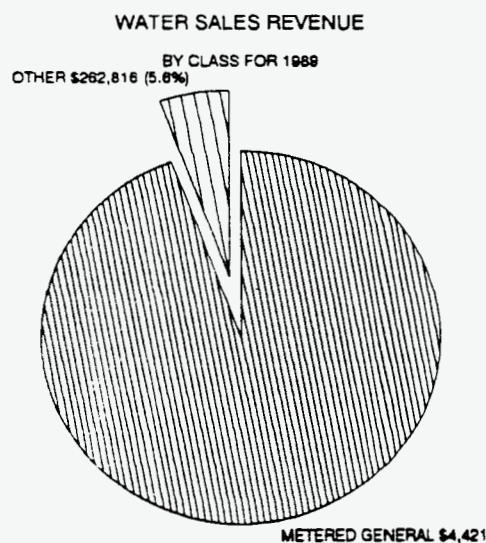
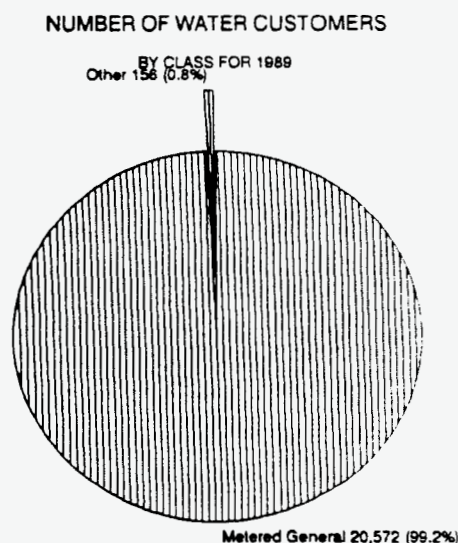
Also in 1990, the largest local water distribution company requested an increase in rates. Staff investigated the company's proposal and, after presenting the findings of that investigation, subsequently entered into an agreement with the company recommending a substantially smaller increase in rates.

In addition, Staff continues to formulate appropriate regulations in response to Act 952 passed in 1989 by the 77th General Assembly. Under that Act, water companies may petition the Commission to come under its regulatory purview without meeting any minimum earnings levels criteria.

B. Water Customers and Sales Revenues by Class

The following graphs show: (1) the percentage of metered general water customers in relation to the percentage of all other water customers; and, (2) the corresponding percentage of metered general water sales revenues to

all other water sales revenues. As can be seen in comparing the two graphs, metered general customers account for over 99% of all customers, while sales to those customers only represent a little more than 94% of all sales revenues.



Section 9. Water Industry Summary

C. Statistical Summaries for Water

WATER COMPANIES - ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1989

<u>COMPANY</u>	<u>PLANT INVESTMENT</u>	<u>OPERATING REVENUES</u>	<u>RATIO (%) GROSS REV. /INVEST.</u>
General Waterworks Of			
Pine Bluff, Inc.	\$16,580,287	\$4,374,169	26.38%
Shumaker Pub. Serv.-Water	<u>686,278</u>	<u>310,120</u>	<u>45.19%</u>
TOTALS	\$17,266,565	\$4,684,289	27.14%

WATER COMPANIES - ARKANSAS ONLY
CUSTOMERS; REVENUES; OTHER STATISTICS
YEAR ENDED DECEMBER 31, 1989

<u>COMPANY</u>	<u>NO. OF CUSTOMERS</u>	<u>REVENUES</u>	<u>AVERAGE REVENUE PER CUSTOMER</u>
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GENERAL WATERWORKS CORPORATION OF PINE BLUFF

METERED GENERAL	20,073	\$4,217,854	\$210
FLAT RATE GENERAL	0	\$0	\$0
OTHER	<u>121</u>	<u>\$156,315</u>	<u>\$1,292</u>
TOTALS	20,194	\$4,374,169	\$217

SHUMAKER PUBLIC SERVICE CORPORATION

METERED GENERAL	499	\$203,619	\$408
FLAT RATE GENERAL	0	\$0	\$0
OTHER	<u>35</u>	<u>\$106,501</u>	<u>\$3,043</u>
TOTALS	534	\$310,120	\$581

Section 9. Water Industry Summary

D. Water Docket Activity Summary

1. COMMISSION DOCKETS

U DOCKETS

88-207-U

Riviera Utilities of Arkansas, Inc.

On December 30, 1988, certain metered customers of the Diamondhead Community filed a petition requesting that Riviera Utilities of Arkansas, Inc. (Riviera) become an APSC jurisdictional utility pursuant to Act 21 of 1988. Staff determined that Riviera met the criteria set forth in Act 21 and filed testimony on February 16, 1989. By Order No. 7, dated June 13, 1990, the Administrative Law Judge (ALJ) determined that the Arkansas Public Service Commission had jurisdiction. The ALJ also ordered Riviera to file interim tariffs, subject to refund, which reflect the current rates. Further, the Administrative Law Judge ordered Riviera to file a fully allocated cost of service study within 90 days and that a general rate case ensue to determine the appropriate rate structure for the utility.

On August 31, 1990, Riviera filed a Motion requesting an extension of time to file the cost of service study. Order No. 10, dated August 31, 1990, granted Riviera's request and directed the utility to file a fully allocated cost of service study on or before December 10, 1990. On December 10, 1990, Riviera filed its rate case. This filing was later supplemented on December 13, 1990.

For administrative purposes, in Order No. 12, the Administrative Law Judge transferred Riviera's rate case to Docket No. 91-003-U and scheduled a public hearing on April 10, 1991. This Order also suspended the tariffs filed on December 13, 1990.

90-048-U

General Waterworks Corporation of Pine Bluff

On April 2, 1990, General Waterworks Corporation of Pine Bluff, Arkansas, Inc. (GWC) filed an Application requesting a general rate increase. Staff investigated the rate Application and filed testimony in support of an increase less than that requested by GWC. On November 7, 1990, GWC and Staff filed a Joint Motion with the Commission stating that they had entered into a Stipulation and Agreement with respect to all issues in the case and requesting that the Stipulation and Agreement be approved. The Stipulation and Agreement stated that GWC had a revenue requirement of \$4,718,589.

A public hearing was held November 13, 1990. By Order No. 13, dated November 30, 1990, the Administrative Law Judge approved the Stipulation and Agreement. Further, the utility was directed to file revised tariffs as expeditiously as possible, pursuant to the Stipulation and Agreement. GWC filed the revised tariffs on December 3, 1990. On December 28, 1990, the Commission affirmed Order No. 13 without

Section 9. Water Industry Summary

modification and approved the tariffs filed December 3, 1990.

C DOCKETS

90-193-U

Shumaker Public Service Corporation

Shumaker Public Service Corporation (Shumaker) filed a Petition for Declaratory Ruling that a stock transaction by its parent, Highland Industrial Park, Inc. (Highland), did not require Commission approval. Highland sought to pledge its stock in Shumaker as collateral for bonds issued by Highland. Staff researched the matter and filed Comments stating its opinion that no action by the Commission was required. Order No. 2, entered December 3, 1990, found that the proposed transaction did not require the authorization or approval of the Commission.

87-138-C

C. D. Tubbs vs. General Waterworks of Pine Bluff

This complaint concerned rust colored water and poor service quality. The Commission ordered specific action to be taken by the company to resolve the water problems. Staff was directed to monitor a series of water samplings to determine if water quality was improving. Final findings were that General Waterworks was within the requirements of Commission Rules And Regulations. Order No. 10, dated February 21, 1990, suspended reporting. Order No. 11, dated April 16, 1990, closed the Docket.

Section 9. Water Industry Summary

2. COMMISSION DOCKETS ON APPEAL

89-230-U

In the Matter of the Application of Shumaker Public Service Corporation for an Order on Its Deregulated Status

On November 29, 1989, Shumaker Public Service Corporation (Shumaker) filed an Application stating that, pursuant to Ark. Code Ann. Section 23-1-101(4)(A)(vi)(b) as amended by Act 37 of 1987 (1st Ex. Sess.), the term "public utility" excludes sewage collection systems whose annual operating revenues would cause them to be classified as Class C or lower sewage companies pursuant to the Uniform System of Accounts adopted by

the Arkansas Public Service Commission. Shumaker stated in its Application that its sewage collection system qualified as a Class D sewer company and therefore is not subject to regulation by the Commission as a public utility. Shumaker sought a Commission order declaring that its sewage collection system was not subject to regulation by the Commission as a public utility.

On March 20, 1990, the Staff of the Arkansas Public Service Commission filed a Motion to Dismiss with a Memorandum in Support. Shumaker did not respond to Staff's Motion and Memorandum. Based on Staff's Motion and Memorandum the Application was terminated and dismissed on August 17, 1990. Order No. 3 of September 24, 1990, closed the Docket.

Section 10. Generic Docket Activity

Generic Docket Activity Summary

A. Generic Telecommunications Dockets

U Dockets

88-091-U Access Charges

In this Docket, the method by which common line costs are recovered was changed and the Arkansas Intrastate Carriers Common Line Pool was established to replace the Arkansas InterLATA Carrier Common Line Pool. Now, all interexchange carriers and Local Exchange Companies contribute to the recovery of common line costs. At the same time, a reduction in intraLATA toll rates of \$11.1 million was put into effect.

90-105-U Optional Toll Calling Plan

The Local Exchange Companies in Arkansas filed a proposed Experimental Optional Calling Plan in this Docket to provide discounted toll calling options for telephone customers in Arkansas. The proposed plan provided three options: 1) calling to a designated point which met certain qualifications; 2) calls within a 26-mile circle; and, 3) calls within the LATA. After modifications were made to meet concerns expressed by the Administrative Law Judge, the plan was approved by the Commission on January 25, 1991.

90-133-U

Non-Traffic Sensitive Cost Allocations

This Docket was established in response to a Petition filed by the Staff of the APSC asking that the question of allocation of non-traffic sensitive costs between toll and local service rates be addressed by the Commission. The Docket is pending, but the decision could have a tremendous effect on the costs allocated to toll service by the Local Exchange Companies and therefore, on the toll rates charged in Arkansas. Staff is advocating that a significant portion of costs be shifted from toll to local rates. The hearing in this matter is currently scheduled for March 20, 1991.

90-209-U

Customer Owned Coinless Telephones

This Docket was established to determine if the provision of service by customer owned coinless public telephones (such as card reader telephones) is in the public interest. The hearing in this docket is scheduled for February 19, 1991.

R Dockets

87-048-R

Docket to Establish Rules Regulating Competitive Telecommunications Carriers

This Docket was opened March 27, 1987, as a result of a Petition from the Staff requesting a docket to establish rules for

Section 10. Generic Docket Activity

competitive telecommunications utilities. Staff filed its proposed rules. The telecommunications industry members filed comments and testimony, after which Staff filed amended proposed rules. A hearing was held on October 24, 1989. Additional information was requested by the Hearing Officer and that information was later filed by the Staff.

Certain modifications to Staff's amended proposed rules were made by the Hearing Officer and the balance of Staff's proposed rules were approved by the Commission. The proposed Rules were consolidated with the Rules adopted in Dockets 86-248-R, 89-247-R, and 89-106-R and were published in accordance with the Commission's Order No. 13. Order No. 13, entered September 19, 1990, also closed the Docket.

89-106-R

Rules Docket to Establish Schedules Applicable to Class B Telecommunications Utilities and to Revise Section 9 of the Commission's Rules of Practice and Procedure

This Docket was initiated by way of a Joint Petition filed by the Staff and the Arkansas Telephone Association (ATA). The purpose of this Docket was to streamline the filing requirements for Class B telecommunications utilities, i.e. local exchange companies having 25,000 or fewer access lines. Proposed revisions to the Commission's Rules of Practice and Procedure and the Appendices to Section 9 of those rules were filed. A hearing in the matter was held on September 26, 1989,

during which all parties supported the proposed changes. Order No. 3, entered October 23, 1989, adopted the proposed changes. The proposed changes were incorporated in the publication of revised Rules, and the Docket was closed by Order No. 4 entered September 19, 1990.

89-247-R

Class B Telecommunications Utilities Rules Docket Proposing the Establishment of Rule 9.15 of the Commission's Rules of Practice and Procedure

The Staff of the Arkansas Public Service Commission and several local exchange carriers filed a Joint Petition proposing the establishment of Rule 9.15 within the Commission's Rules of Practice and Procedure. The revisions would affect telephone utilities with fewer than 25,000 access lines and would provide an optional streamlined procedure for revising depreciation rates in a general rate case or depreciation rate proceeding. The proposed rule also provided for a triennial determination of proper depreciation rates for this group of utilities.

All parties to the Docket supported the adoption of proposed Rule 9.15. The proposed Rule was adopted by Order No. 3, dated January 26, 1990. Order No. 5, dated September 19, 1990, noted that the Rule had been published in the Commission's revised Rules of Practice and Procedure and consolidated with Dockets 86-248-R, 87-048-R, and 89-106-R. Order No. 5 also closed the Docket.

Section 10. Generic Docket Activity

B. Generic Dockets - All Utilities

U Dockets

90-177-U

Customer Deposit Interest Rate

In accordance with Ark. Code Ann. Section 23-4-206, the Commission holds a hearing each year to determine the appropriate interest rate to be paid by utilities on customer deposits.

The Staff filed testimony recommending 7.5% per annum for 1991. Order No. 3, issued December 6, 1990, adopted the Staff's recommendation.

C Dockets

90-200-C

Allan Douglas Hampton vs. Arkansas Public Service Commission

The Complainant, Allan Douglas Hampton (Hampton) alleged that the customer charge approved by the Commission and included on monthly bills from Arkansas Louisiana Gas Company and Arkansas Power & Light Company were of no benefit to him and that he receives no consideration or remuneration for his monies spent.

In Order No. 1, issued December 6, 1990, the Commission dismissed the Complaint citing Ark. Code Ann. Section 23-3-119, which provides for the adjudication by the Commission of individual disputes between consumers and the public utilities which serve them and does not permit the filing of a formal Complaint against the Commission as the

Complainant had attempted to do in this Docket. Order No. 2, issued January 9, 1991, closed the Docket.

A Dockets

89-204-A

Establishment of Fees Charged by The Arkansas Public Service Commission

On October 26, 1989, the Commission scheduled a public hearing for December 1, 1989, to consider and determine a proposed fee schedule for photocopying, reproduction of fiches, certifying copies of Commission orders or documents and fax services. Staff filed prepared testimony on November 17, 1989.

On November 27, 1989, Southwestern Bell Telephone Company (SWB) filed a Notice of Intent to Make Oral Comments.

A public hearing was held on December 1, 1989. Ron Young of SWB and Sandy Smith of Arkla, Inc. made oral comments on behalf of their companies.

An Order was issued by Administrative Law Judge George C. Vena on December 13, 1989, adopting Staff's proposed schedule, effective January 1, 1990. Order No. 4, dated January 1, 1990, closed the Docket.

R Dockets

86-248-R

Generic - Minimum Filing Requirements

This Docket was opened in 1986 to propose significant changes in the minimum filing requirements for utilities.

Section 10. Generic Docket Activity

Comments and testimony were filed and a hearing was held. On August 10, 1989, an Administrative Law Judge adopted the proposed minimum filing requirements designated as Appendix II of Section 9, applicable solely to telephone companies. Also adopted were Staff's proposed amendments to Rule 9.02(k) of the Commission's Rules of Practice and Procedure, as set forth in Staff Comments - Third Amended Version of MFR's - Appendix II - Telephone Companies. On October 10, 1989, a hearing was held to consider Staff's proposed minimum filing requirements for electric, gas, and water utilities. On October 27, 1989, an Order was entered adopting Staff's proposal in its entirety.

89-095-R

One Call Center

On May 8, 1989, Arkansas One-Call System, Inc., filed an Application for a form of organization for the Arkansas One-Call Center. Also included was a

request for the Commission to open a rulemaking docket to implement Act 370 of 1989. On August 24, 1989, the Staff of the Public Service Commission and Arkansas One-Call System, Inc., jointly filed proposed rules for the One-Call Center. Order No. 5 issued November 27, 1989 adopted the joint motion in its entirety. Order No. 6, dated January 10, 1990, closed the Docket.

90-205-R

Rules Revisions

This Rulemaking Docket was initiated in 1990 and concerns the Commission's Rules and Regulations Governing Promotional Practices of Electric and Gas Public Utilities. These rules, concerning marketing programs, have not been reviewed since 1971. Currently the Commission is soliciting information from jurisdictional utilities and comments from interested parties. A public hearing is scheduled for March 13, 1991.

Section 11.

Federal Regulatory Agency Activity

A. Electric Industry

1. Electric Issue Summary

Competition and the environment were key concerns of the electric utility industry in 1990. The Federal Energy Regulatory Commission (FERC) continued its case-by-case approach to electric issues, while federal legislative proposals pushed for policymaking changes. With the signing into law of the 1990 Clean Air Act Amendments, environmental concerns and the cost of addressing them became the focus for the Arkansas Public Service Commission (APSC), federal agencies, and the Congress.

With regard to competition, several amendments to the Public Utility Holding Company Act (PUHCA) and the Public Utility Regulatory Policies Act (PURPA) were proposed in Congress. The proposed changes to PUHCA would eliminate the barriers to electric utility holding companies forming subsidiaries for independent power production. The result would be increased competition in the electric utility industry.

In several cases, FERC examined open access to electric utility transmission systems. Rather than setting policy through a generic proceeding, FERC is examining and evaluating transmission access in the context of other issues, such as sales of excess capacity and utility mergers. Accordingly, the APSC has intervened in these cases to review their potential applicability in Arkansas.

With regard to the environment, the passage of the Clean Air Act will mean vast

change in utility generation planning because it sets a permanent tonnage cap for sulphur dioxide emissions from fossil-fueled plants. A unique feature of this legislation is an emissions allowance trading system for electric utilities, which will mitigate the effect of the permanent tonnage cap by allowing utilities to sell the right to produce emissions to other utilities. The APSC was active in trying to persuade Congress, through NARUC and the Arkansas delegation, to assign emissions allowances to all fossil-fueled units so that clean states like Arkansas could be rewarded for already having sulphur dioxide emissions in compliance with adopted standards.

The new amendments to PURPA focused on developing federal standards. The standards addressed both conservation and least-cost planning to maximize the use of current generating resources and minimize dependency on fossil fuels. PURPA was also amended to lift size restrictions on renewable energy sources.

The National Energy Strategy (NES), which the Department of Energy has been preparing, will contain recommendations affecting both the gas and electric utilities. When it is presented to the President in 1991, the NES is expected to present options leading to more efficient use by utilities of all energy resources.

In summary, competition and the environment were the major issues for the electric industry at the federal level in 1990. These issues, as well as federal dockets specific to Arkansas utilities, resulted in increased APSC activity at the federal level.

Section 11.

Federal Regulatory Agency Activity

2. Electric Docket Activity Summary

FERC Docket No. ER88-313-000

The Arkansas Public Service Commission intervened in this case concerning the allocation of refunds of transportation charges. The charges relate to coal shipments from Wyoming to Arkansas Power & Light Company's (AP&L) White Bluff and Independence coal plants made by Burlington Northern and Missouri Pacific Railroads. This Docket was terminated March 6, 1990, with the acceptance of AP&L's final report on its refund to wholesale customers.

FERC Docket No. ER89-672 Public Service Company Of Indiana

Public Service Company of Indiana (PSI) filed a proposal to sell 450 megawatts of excess capacity at market-based rates. The proposal also included offering voluntary open access transmission on its system to any party except retail customers. The APSC intervened to monitor the proposal as a potential alternative for utilities with excess capacity and to obtain information on transmission access. Although the FERC approved PSI's proposal, it conditioned its approval on numerous requirements designed to ensure that access would be granted without discrimination. The FERC's decision has been appealed by intervenors to the U.S. Court of Appeals, District of Columbia Circuit.

FERC Docket No. EL89-40 Northern States Power Company, Et Al V. Public Service Commission Of Wisconsin

As part of the least-cost planning process mandated by its state law, the Public Service Commission of Wisconsin issued an Order which affects the planning and sharing of electric transmission facilities. This Order included twenty "Transmission System Use and Cost Sharing Principles."

As a result, four Wisconsin utilities filed a Complaint asking the FERC to exert its jurisdiction over the terms and conditions of power transmitted in interstate commerce. The APSC intervened and filed Comments supporting the NARUC's request that the Complaint be dismissed and the proceeding held in abeyance pending a decision by a Wisconsin appellate court. The Docket is still pending before the FERC.

FERC Docket No. ER90-38 Entergy Services, Inc.

Entergy Services, Inc., filed on behalf of Arkansas Power & Light (AP&L) and Entergy Power, Inc. (EPI), a Power Coordination, Interchange and Transmission Service Agreement. EPI, the owner of the Independence Steam Electric Station (ISES) Unit 2 and Ritchie Unit 2 in Arkansas, is a bulk power marketing subsidiary of Entergy Corporation. Due to its similarity to AP&L's agreements with the other co-owners of ISES, the FERC found that the agreement offered no preferential

Section 11.

Federal Regulatory Agency Activity

treatment to AP&L's affiliate and approved it. The FERC's decision has been appealed by the City of New Orleans and by Arkansas Electric Energy Consumers to the U.S. Court of Appeals, District of Columbia Circuit.

FERC Docket No. EL90-45
Louisiana Public Service Commission
v. Entergy Services, Inc.

The Louisiana PSC filed a Complaint asserting that the rate of return on equity under the System Agreement between Entergy Services, Inc., and the four Entergy operating companies - AP&L, LP&L, MP&L, and NOPSI - should be reduced to a just and reasonable level. The APSC has intervened and is awaiting FERC's decision on whether to hear the case.

FERC Docket No. EL90-48
The City Of New Orleans V. Entergy
Corporation, Arkansas Power & Light
Company, New Orleans Public Service
Inc., Louisiana Power & Light Company,
Mississippi Power & Light Company
And System Energy Resources, Inc.

The City of New Orleans filed a Complaint asserting that the removal of the ISES 2 and Ritchie 2 generating facilities from system operations to a newly created independent power subsidiary, Entergy Power, Inc., would substantially increase the cost of electricity sold through the Entergy System Agreement to New Orleans ratepayers. The removal was approved by the APSC in Docket No. 89-128-U. Entergy Power, Inc. would sell the power generated by these facilities off-system. The APSC has intervened

and is awaiting FERC's decision on whether to hear the case.

FERC Docket No. EF91-4011
United States Department Of Energy
-Southwestern Area Power
Administration
(Integrated System Rates)

The Southwestern Area Power Administration (SWPA) filed for approval of a \$12.4 million, or 14.4%, rate increase to be phased-in in two steps; on October 1, 1990 (8.6%), and on April 1, 1992 (5.8%). SWPA's proposed rates would remain in effect through September 30, 1994. Arkansas Electric Cooperative Corporation purchases 189 megawatts of peaking power from SWPA as well as additional excess energy SWPA makes available to firm service customers. The APSC has intervened in the Docket.

FERC Docket Nos. ER89-678-000,
EL90-16-000, And FA89-28-000,
System Energy Resources, Inc.

The APSC intervened in this Docket in which System Energy Resources, Inc. (SERI) requested an increase in their decommissioning cost revenue requirement associated with the Grand Gulf 1 Nuclear Plant. Other related accounting and billing format issues are also being examined in connection with the decommissioning cost issue.

Subsequently, in February, 1990, the APSC joined with the Louisiana Public Service Commission, the Mississippi Public Service Commission, The City of New Orleans, and the State of Mississippi in filing a Complaint with the Federal Energy Regulatory Commission (FERC). The

Section 11.

Federal Regulatory Agency Activity

Complaint was filed against SERI, the owner of 90 percent of the Grand Gulf 1 Nuclear Generating Facility. The APSC and the other regulatory agencies filing this Complaint have an over-riding interest in ensuring that rates charged by SERI are just and reasonable. The rates charged by SERI become a component of the retail revenue requirement charged by Arkansas Power and Light Company and the other operating companies of the Entergy System. This Complaint filing resulted in the creation of FERC Docket Number EL90-16-000, which was later consolidated with the Decommissioning Docket Number ER89-678-000. Additional issues raised in the Complaint filing include return on equity, equity ratio, the calculation of cash working capital, and the

transfer cost of property related to the cancelled Grand Gulf II plant.

In December 1990, the Chief Accountant of FERC issued a contested Audit Report noting various recommended corrective actions applicable to the books and records of SERI. The FERC audit report resulted in the creation of FERC Docket Number FA89-28-000. The changes recommended in the FERC Audit Report have ratemaking implications which are also issues implicit in the decommissioning Docket and the complaint Docket. As a result, a motion was filed to have the audit Docket consolidated with the complaint Docket and the decommissioning Docket.

The APSC is an active participant in these proceedings, and sponsored three witnesses who have filed testimony.

Section 11.

Federal Regulatory Agency Activity

B. Gas Industry

1. Gas Issue Summary

Events in 1990 continued to keep the natural gas industry in the news. As in 1989, the Federal Energy Regulatory Commission, the U.S. Congress, and the federal courts have continued to implement regulatory policies, legislation, and rulings which will have major impact on the industry. Events in 1990 also point toward expanded markets for natural gas.

The following are some of the major events of 1990 in the natural gas industry:

- * In early 1990, the D.C. Circuit Court of Appeals rejected FERC's use of the purchase deficiency mechanism to allocate Take-Or-Pay costs to pipeline customers. On October 9, 1990, the U.S. Supreme Court declined to review the appeals court ruling.
- * On April 6, 1990, the D.C. Circuit Court of Appeals rejected FERC's interpretation of the "on behalf of" definition as it relates to the determination of the eligibility of transportation services under section 311 of the NGPA.
- * On August 2, 1990, FERC issued two interim rules and notice of proposed rulemakings on regulations governing certificate authority for construction of natural gas pipeline facilities and section 311 transportation by interstate pipelines.
- * On August 24, 1990, the D.C. Circuit Court of Appeals affirmed most aspects of FERC's final rule for open access natural gas transportation service under Order Nos. 500-H and 500-I. The Court remanded the pregranted abandonment and double crediting provisions of FERC's final rule.
- * On November 15, 1990, President Bush signed into law the Clean Air Act, highlighting important environmental benefits of natural gas.

Section 11.

Federal Regulatory Agency Activity

2. Gas Docket Activity Summary

FERC Docket No. RP88-45-000 Arkansas Energy Resources (AER)

The Arkansas Public Service Commission (APSC) intervened and participated in this Natural Gas Act (NGA) Section 4 rate filing at FERC. AER has filed a proposed settlement in this case which would reduce the proposed increase of \$79.6 million by about \$45 million annually. On July 20, 1989, FERC issued an Order rejecting AER's settlement supplement, treating the case as a contested settlement. On September 15, 1989, FERC issued an Order setting a hearing for AER's contested settlement which will consider the settlement with regard to FERC's policy statement on rate design.

On July 12, 1990, a proposed settlement was filed in this proceeding. On July 27, 1990, the APSC filed Comments supporting the settlement. On August 15, 1990, the FERC Administrative Law Judge certified the proposed settlement to FERC. On October 30, 1990, FERC approved the settlement.

FERC Docket No. CP88-413-000 Texas Gas Transmission Corporation

Texas Gas Transmission Corporation (Texas Gas) petitioned for a Certificate of Convenience and Necessity (CCN) under Section 7(c) of the NGA to build a line to Quincy Soybean Company of Arkansas and to provide transportation service. The Arkansas Public Service Commission filed a motion requesting that FERC institute a Joint Board to examine the question of

by-pass of local distribution companies. In an Order issued on November 1, 1989, FERC authorized Texas Gas to provide transportation service to Quincy and denied the APSC's request for a joint board.

On March 9, 1990, FERC issued an Order denying a request for rehearing of the November 1 Order filed by Arkla, Inc.

FERC Docket No. RP89-248-000 Mississippi River Transmission Corporation (MRT)

The APSC intervened in the NGA Section 4 rate case filing in this Docket. On September 29, 1989, MRT filed an Application seeking an annual rate increase of \$23.5 million. The APSC intervened in this case to evaluate the rate impact of this filing on Arkansas' local distribution companies. Also, the APSC intervened to gain insight into MRT's response to FERC's new rate design policy statement. Settlement discussions have been held in this proceeding. As of November 20, 1990, settlement discussions were continuing, with the hearing date set for January 23, 1991.

FERC Docket No. CP89-2173-000 Arkla Energy Resources (AER) Mississippi River Transmission Corporation (MRT)

The APSC intervened in this filing by AER and MRT to abandon, by sale to ANR Pipeline Company (ANR), property interests in existing facilities owned by AER and MRT. In addition, AER will convey to ANR interests in AER's new transmission line, Line AC. The APSC intervened in order to evaluate and monitor

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Federal Regulatory Agency Activity

the transfer and conveyance of AER and MRT pipeline facilities. The FERC Staff is currently engaged in discovery in this case.

FERC Docket No. CP89-2174-000 Arkla Energy Resources (AER)

The APSC intervened in this request by AER for a Certificate of Public Convenience and Necessity (CCN) to construct and operate a new 225 mile transmission line, Line AC. Under agreements with AER, ANR and Texas Gas will own rights in the proposed pipeline which will permit delivery of 250,000 and 300,000 mcf per day to those companies, respectively. The APSC intervened in order to evaluate and monitor the construction of the proposed pipeline in which Arkansas ratepayers will potentially bear the costs. Arkla has responded to FERC that, except for minor supplements to its Applications, all of its Applications are complete. AER's Line AC became operational on November 1, 1990. This case is on FERC's January 16, 1991, agenda.

FERC Docket No. CP89-2195-000 ANR Pipeline Company

The APSC intervened in this certificate Application by ANR Pipeline Company (ANR) which requested approval to acquire pipeline facilities abandoned by AER and MRT in FERC Docket No. CP 89-2 173-000 and to own and operate ANR's portion of AER's pipeline construction project in FERC Docket No. CP 89- 2174-000. The APSC intervened in this Docket in order to review and eval-

uate this and other related filings in Docket Nos. CP89-2173-000 and CP89-2174-000. The FERC Staff is currently engaged in discovery in this case.

FERC Docket No. CP90-680-000 Texas Gas Transmission Company

The APSC intervened in this certificate Application which requested approval to acquire an ownership interest in AER's Line AC in Docket No. CP89-2174-000. The APSC intervened in this Docket along with the related filings in Docket Nos. CP89-2173-000, CP89-2174-000, and CP89-2195-000. The FERC Staff is currently engaged in discovery in this case.

FERC Docket No. CP90-187-000 Oklahoma-Arkansas Pipeline Company

The APSC intervened in this filing by OAPL which requested an Expedited Certificate of Public Convenience and Necessity to construct and operate a new interstate natural gas pipeline. The proposed pipeline would extend eastward from Oklahoma 352 miles across Arkansas and will end at an interconnect with the pipeline facilities of Trunkline Pipeline Company in Mississippi. The APSC intervened to monitor the impact of this filing on the Arkansas natural gas industry.

On October 4, 1990, FERC issued an Order on non-environmental issues in this proceeding which determined that, subject to FERC's environmental review, construction of the pipeline project would be in the public interest. The case is pending at FERC.

Section 11.

Federal Regulatory Agency Activity

C. Telecommunications Industry

1. Telecommunications Issue Summary

The year 1990 has seen several new issues in the telecommunications industry. This industry is becoming more competitive on an interstate level as well as within Arkansas. Much of the activity affecting telecommunications in 1990 took place at the Federal Communications Commission and in Congress. However, the changes initiated in Washington will significantly affect Arkansas consumers.

Many of the issues of 1990 carried over from 1989 and are not yet resolved. The primary unresolved issue centers on the philosophy of open network architecture. In April of 1991, the first unbundled access tariffs will be filed at the FCC. The local network may be further unbundled due to action before the FCC which was started by large access customers of the Bell companies. The Arkansas Public Service Commission expressed its concern regarding the impact that this unbundling will have on Arkansas consumers.

1990 saw two major actions undertaken by the FCC. In October, the FCC adopted price cap regulation for local exchange carriers. In a companion action, the FCC also reduced the rate of return for local exchange carriers from 12% to 11.25%. The FCC expects that these actions will result in large reductions in interstate rates in the future. Although price cap regulation was adopted for AT&T during 1989, in 1990 the FCC began an evaluation of additional flexible regulation for AT&T.

The FCC also reported to Congress on the state of the cable television industry. The FCC is now evaluating the definition of competition used in the Cable Act of 1984. Any action by the FCC in this area could effect cable subscribers nationwide.

Congress was also active in 1990. One of the major focal points for Congress was CATV. The Congress is under increasing pressure to correct problems regarding the quality of service, rates, and response to customer complaints associated with cable service. Many observers expected legislative action to be taken regarding cable television. However, these efforts failed late in the session.

Another area that saw Congressional activity was the Modified Final Judgment (MFJ). The MFJ affected the break up of AT&T into the regional Bell companies. Under the terms of the MFJ, the Bell companies are prohibited from manufacturing equipment and from providing both information services and many long distance services.

Two bills were introduced that would change these prohibitions. The first bill would have allowed the companies to manufacture equipment. The second bill would have also allowed the companies to provide information services. Neither bill passed. However, it is expected that both will reappear in 1991.

Congress concluded 1990 by passing two significant pieces of legislation. The first was the Americans With Disabilities Act. This legislation mandates the nationwide provision of communication services to hearing and speech impaired individuals. Congress also passed the

Section 11.

Federal Regulatory Agency Activity

Telephone Operator Consumer Services Improvement Act. This legislation directed the FCC to issue rules to protect consumers from Alternative Operator Service providers. The last few years have seen a number of these companies appear. The rules adopted by the FCC will only

apply to interstate services of AOS companies.

The Arkansas Public Service Commission has been involved in all of these issues. Our participation ensures that Arkansas' ratepayers' interests are heard before both of these bodies.

Section 11.

Federal Regulatory Agency Activity

2. Telecommunications Docket Activity Summary

CC Docket 79-105

This Docket addresses the preemption of state regulation over inside wire. As a result of action taken by the Federal Circuit Court, the FCC released a Second Further Notice of Proposed Rulemaking in this Docket. The Staff filed Comments in this proceeding on August 17, 1990.

CC Docket 80-286

The Arkansas Public Service Commission continues to participate in this ongoing Docket. The proceeding addresses issues affecting all consumers of communications services. Issues include the interstate funding of the Universal Service Fund, cost assignment, and subscriber line charges. This proceeding also addresses changes to the separations of investments and expenses between the federal and state jurisdictions.

CC Docket 87-313

The Arkansas Public Service Commission has remained a party to this proceeding in which the FCC has moved from traditional rate of return regulation. The FCC has adopted price cap regulation for the largest local exchange companies in its place. Price caps for local exchange carriers were adopted on September 19, 1990, and became effective January 1, 1991.

CC Docket 87-339

The Arkansas Public Service Commission has filed data in this ongoing

Docket. The purpose of the proceeding is to monitor the impact Federal/State Joint Board decisions have on end users. Potential impacts include increased rates, bypass of the public switched network, and the provision of affordable universal service. Reports are available twice a year which reflect the impact of Joint Board decisions.

CC Docket 88-2

The Arkansas Public Service Commission is a party to this proceeding. The Docket was established to review the plans of the Regional Bell Operating Companies (RBOCs) for implementing Open Network Architecture (ONA) as ordered by the FCC in its Computer Inquiry III Docket (CC Docket 85-229). ONA plans must ensure that non-RBOC enhanced service providers have nondiscriminatory access to the public network on the same basis as RBOC affiliated enhanced service providers.

The Staff has been instrumental in developing and working with a regional task force to provide guidance to Southwestern Bell Telephone Company in its implementation of ONA. The Staff has also been instrumental in developing a regional position on issues associated with the implementation of ONA. The deadline for implementation of ONA is July 1, 1991.

CC Docket 89-79

This Docket was established to amend the FCC rules to reflect the unbundling and tariffing of access services to implement ONA. The Staff has been active in developing and working with a regional task force to provide guidance to

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Southwestern Bell Telephone Company in this phase of unbundling. That task force has filed Comments in this Docket.

MM Docket 89-600

On December 29, 1989, the FCC issued a Notice of Inquiry asking for comments regarding its re-examination of the effects of the Cable Television Act of 1984. The Staff filed Comments in this proceeding on March 1, 1990.

MM Docket 90-04

The FCC requested comments on possible methods for the regulation of the cable television industry in the event that it is determined that this deregulated industry is not operating in a manner that benefits the public. The Staff filed Comments in this proceeding on April 6, 1990.

CC Docket 90-132

The FCC initiated this proceeding to address the possible deregulation of AT&T in its provision of service to certain markets. The FCC proposes to either allow customer specific contracts, deregulate these services completely, or designate certain facilities as private carriage facilities. Comments were filed by the Staff on July 2, 1990.

CC Docket 90-215

This proceeding was initiated by the FCC to revise the Uniform System of Accounts for telecommunications companies. The proposal would have had separations impact on Arkansas rate-payers. The Staff filed Comments in this proceeding on May 25, 1990.

CC Docket 90-313

The FCC initiated this proceeding in response to both a Petition for Rulemaking filed by NARUC and to Congressional pressure. The FCC requested comments on a number of rules which will apply to all operator service providers. Comments were filed on September 7, 1990.

RM Docket 7249

This proceeding was initiated by a Petition for Rulemaking filed at the FCC. If granted, the Petition would mandate unbundling of the interstate access tariffs and other action by competitors to the Bell companies in the provision of access services. This proceeding could impact the provision of local and intrastate services in the same manner that MCI's actions have affected the provision of interstate and interLATA toll services. Staff filed Comments in this Docket on April 3, 1990.

RM Docket 7370

This Docket was initiated by a Petition filed at the FCC on behalf of the NARUC. In this petition NARUC asked the FCC to require that the industry continue to use a uniform traffic reporting system to assure that jurisdictional cost shifts are minimized. The Staff filed Comments and Reply Comments in this proceeding.

Case No. AAD-9-1938

This proceeding was initiated by Telephone and Data Systems, an owner of two Arkansas telephone companies. TDS was

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requesting that the FCC waive the definition of a study area as defined in the separation rules. The Staff filed Comments in this proceeding on March 9, 1990.

FCC Depreciation Rate Prescription - GTE Southwest Incorporated

The Federal Communication Commission reviews the depreciation rates of FCC-subject carriers on a triennial schedule. The review is handled through a depreciation rate prescription process.

In this process, commonly referred to as three-way meetings, depreciation rates are proposed by a company and are reviewed by state and federal regulatory bodies. The FCC-subject carriers under Arkansas jurisdiction are GTE Southwest,

Inc., (GTE) and Southwestern Bell Telephone Company.

Changes in interstate depreciation rates ultimately flow through to ratepayers as changes in interstate telephone rates. The Staff, by participating, provides state ratepayers with a voice in the determination of interstate telephone rates.

Staff took an active role in GTE's 1990 three-way depreciation process. The Staff analyzed the Company's depreciation study, the Comments of the other state Commissions, and the results of the FCC's preliminary analysis. Staff then formulated its recommendations and presented these at the three-way depreciation meeting held in February of 1990. This case is pending before the FCC.

Section 12. Federal Dockets on Appeal

Dockets On Appeal From Federal Regulatory Agencies

A. Electric Docket Activity Summary

Case No. 90-1474

**Arkansas Electric Energy Consumers v.
Federal Energy Regulatory Commission**

**United States Court of Appeals for the
District of Columbia**

This is an appeal by the Arkansas Electric Energy Consumers (AEEC) from Orders of the Federal Energy Regulatory Commission (FERC) in Docket No. ER90-38-000. The FERC had approved the transmission rate between Arkansas Power & Light Company (AP&L) and Entergy Power, Inc. and denied Intervenor's request for an evidentiary hearing. The issues raised by AEEC on appeal are: 1) whether the FERC erred in refusing to address arguments on AP&L's restriction of access; and, 2) whether the restriction on transmission access is unreasonable and discriminatory.

The Arkansas Public Service Commission (APSC) was granted intervention on December 4, 1990. The APSC intervened in support of the FERC's Orders.

There are several pending motions: 1) a FERC motion to consolidate this appeal with City of New Orleans v. Federal Energy Regulatory Commission, No. 90-1494; and, 2) a request by the FERC to dismiss the appeal because AEEC is not an aggrieved party.

Case No 90-1493

**City of New Orleans v. Securities and
Exchange Commission**

Case No. 90-1501

**Louisiana Public Service Commission v.
Securities and Exchange Commission**

Case No. 90-1506

**State of Mississippi v. Securities and
Exchange Commission**

**United States Court of Appeals for the
District of Columbia**

These three appeals are from an Order passed by the Securities and Exchange Commission (SEC) which approved the transfer of Arkansas Power & Light Company's interest in both the Independence Steam Electric Generating Station No. 2 and the Ritchie Steam Electric Generating Station No. 2 to Entergy Power, Inc. (EPI). The Arkansas Public Service Commission (APSC) was granted intervention in this matter on December 6, 1990. The APSC intervened in support of the Order entered by the SEC.

The issues on appeal are whether the SEC erred in: 1) denying Intervenor's request for an evidentiary hearing; 2) holding that Entergy met its burden of proof; 3) making findings not based upon substantial evidence; and, 4) approving the formation of the subsidiary EPI in violation of the Public Utility Holding Company Act standards. The City of New Orleans has moved to consolidate these

Section 12. Federal Dockets on Appeal

three cases with City of New Orleans v. Federal Energy Regulatory Commission, No. 90-1494.

Case No. 90-1494

**City of New Orleans v. Federal Energy
Regulatory Commission
United States Court of Appeals for the
District of Columbia**

This is a related case to Case No. 90-1474. The City of New Orleans (CNO) has also appealed from the Orders entered by the Federal Energy Regulatory Commission (FERC) in Docket No. ER90-38-000. The FERC had approved the transmission rate between Arkansas Power & Light Company (AP&L) and Entergy Power, Inc., and denied intervenors' request for an evidentiary hearing on the merits of the underlying transaction, the transfer of AP&L's interest in Independence Steam Electric Generating Station No. 2 and Ritchie Steam Electric Generating Station No. 2. The issues raised by CNO on appeal are: 1) whether the FERC erred in not investigating the ISES transfer itself; and 2) whether the FERC erred in failing to investigate the effect of the transfer on the Entergy System Agreement.

The Court granted intervention for the Arkansas Public Service Commission on December 7, 1990. The APSC intervened in support of the FERC's Orders.

There are several pending motions: 1) CNO has filed a Motion to Consolidate this case with three Securities and Exchange Commission cases, City of New

Orleans v. Securities and Exchange Commission, No. 90-1493, Louisiana Public Service Commission v. SEC, No. 90-1501 and State of Mississippi v. SEC, No. 90-1506; 2) a FERC Motion to consolidate this appeal with Arkansas Electric Energy Consumers v. Federal Energy Regulatory Commission, No. 90-1474; and 3) a FERC motion to dismiss the appeal because CNO is not an aggrieved party.

B. Gas Docket Activity Summary

87-1588 and Consolidated Cases

**American Gas Association, et al. v.
Federal Energy Regulatory Commission
United States Court of Appeals for the
District of Columbia**

This is a consolidated appeal of the FERC Order No. 500 series. The APSC intervened on the side of petitioners who argued that the FERC should use its authority under Section 5 of the Natural Gas Act (NGA) to modify gas producers' take-or-pay contract rights against interstate pipelines.

In an Order issued August 24, 1990, the Court affirmed FERC's decision not to use its authority under Section 5 of the NGA to modify take-or-pay provisions of contracts. The Court remanded the case to FERC for reconsideration of the issues of pregranted abandonment and "double crediting", whereby a pipeline can demand credit for transporting gas that another pipeline has purchased from a producer.

Section 12. Federal Dockets on Appeal

Case No. 88-1774

**National Steel Corporation, et al. vs.
William E. Long**

**United States Court of Appeals for the
Sixth Circuit**

The APSC filed a motion for leave to join in the filing of a brief Amicus Curiae together with the Wisconsin and Ohio Commissions. The issue in this case was whether Panhandle Eastern Pipeline Company, which transports gas to National Steel Corporation, is engaged in the local distribution of gas, and, thus, subject to the jurisdiction of the Michigan Public Service Commission.

The Michigan appeals court affirmed the Michigan Commission's Orders and state law. Both required an interstate pipeline to have a Certificate of Convenience and Necessity before bypassing a local distribution company for direct sale to Michigan industrial customers. However, the United States Court of Appeals for the District of

Columbia upheld the FERC Order which approved the bypass.

C. Telecommunications Docket Activity Summary

Case No. 86-1678

**National Association of Regulatory
Utility Commissioners, et al.**

v. Federal Communications Commission

**United States Court of Appeals No.
86-1678 and Consolidated Cases**

The Commission has joined petitioners seeking review of the FCC's assertion of preemptive jurisdiction to deregulate inside wire. The Commission asserts that the local telephone company should be regulated in providing and maintaining these facilities. On July 7, 1989, the Court upheld, in part, the findings of the FCC, and remanded the FCC Order for reconsideration.

Section 13.

Commission Review of Utility Operations

A. Informal Customer Inquiries and Complaints

During 1990, 22,537 Arkansas customers contacted the Commission's Consumer Services Office regarding utility issues. Of those 22,537 contacts, 1,736 were classified as complaints. The other 20,801 contacts fall into several general categories:

- * calls involving requests for information or referrals to other agencies or jurisdictions (5%);
- * calls referred to utility companies because the customer had not made a "good faith effort" to resolve the complaint before contacting the PSC (44%);
- * calls from customers and utilities concerning potential, open, and closed complaints (15%);
- * administrative/other calls - which include staff interaction on complaints - (26%); and,
- * lost calls - which are calls terminated by the calling party (2%).

Although complaints represent only 8% of all contacts through Consumer Services, they require a significant allocation of time and resources. Complaints involve numerous contacts with utility representatives and staff members as well as extensive research to

ensure compliance with Commission rules and approved tariffs. Many complaints also require additional technical analysis, field investigation, and written reports.

Staff members resolved many issues through individual complaints during 1990 which ultimately affected large numbers of Arkansas customers. Some examples of those issues are:

- * refusal to enter delayed payment agreements;
- * changes in billing cycles which resulted in overcharges;
- * estimated billing for more than two months;
- * installation delays resulting from estimated service dates based on average time instead of customer facilities;
- * poor quality service; and,
- * alternative operator services.

Information regarding the customer and the nature of the complaint is recorded for each contact. In addition, major categories are used to divide complaints by one of three subject areas; 1) billing; 2) service quality; and, 3) service requests. The chart which follows illustrates the distribution of the 1990 complaints by category and by industry group.

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MAJOR CATEGORY COMPLAINT SUMMARY BY INDUSTRY YEAR ENDED DECEMBER 31, 1990

WRITTEN COMPLAINTS

TYPE	TELEPHONE	ELECTRIC	GAS	WATER	TOTAL
BILLING	49	61	11	3	124
SERVICE QUALITY	26	10	0	0	36
SERVICE REQUESTS	37	9	6	0	52
SUBTOTALS	112	80	17	3	212

VERBAL COMPLAINTS

TYPE	TELEPHONE	ELECTRIC	GAS	WATER	TOTAL
BILLING	304	510	140	18	972
SERVICE QUALITY	132	62	23	1	218
SERVICE REQUESTS	208	92	32	2	334
SUBTOTALS	644	664	195	21	1,524
TOTALS	756	744	212	24	1736

Documentation of several new items began in 1987 for each complaint. From these fields of information, complaints are now analyzed in a variety of new ways.

Subcategories are used to identify complaint issues more specifically both

for utility industry groups and for individual utilities. The following charts and tables use those subcategories, as well as other fields, to provide information which should be useful both to regulated utilities and to their customers.

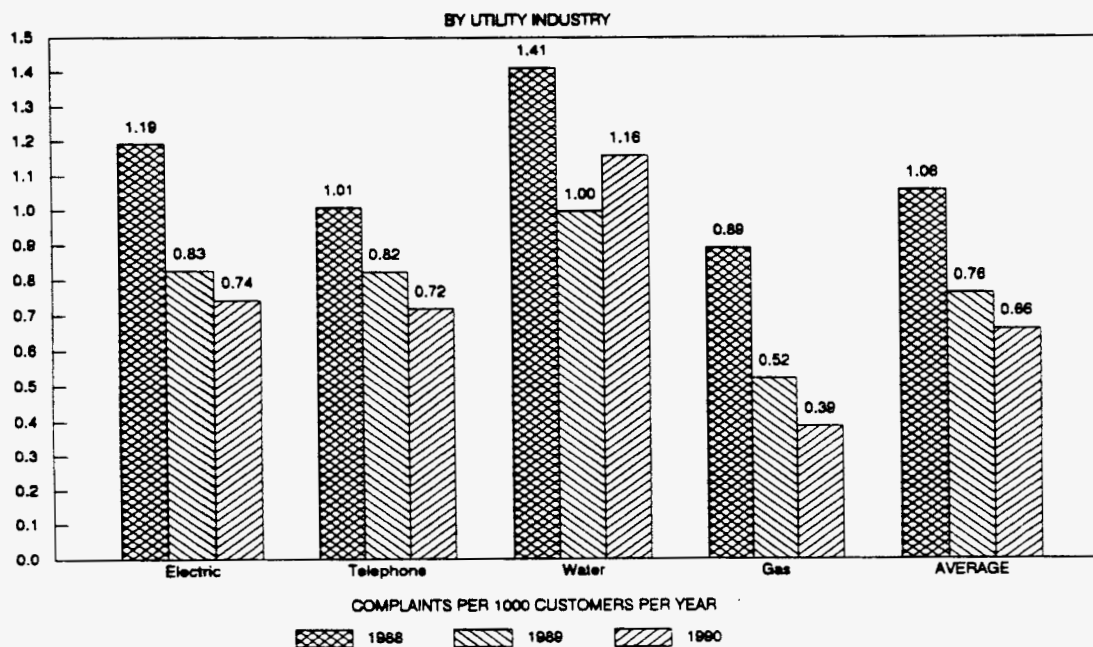
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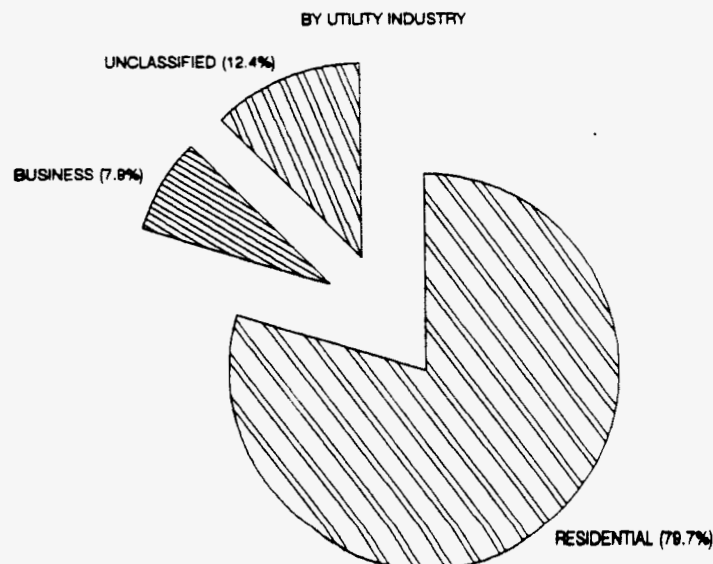
The following pages present annual trends (bar graphs) and analyses of 1990 consumer complaints processed by the Consumer Services Office of the Arkansas Public Service Commission.

The first chart on this page displays the ratio of consumer complaints per 1000 customers for each industry during the years 1988 through 1990. The second chart shows the 1990 percentages of complaints for each customer class.

TREND OF COMPLAINTS FOR 1988 THRU 1990



1990 COMPLAINTS PER CUSTOMER CLASS

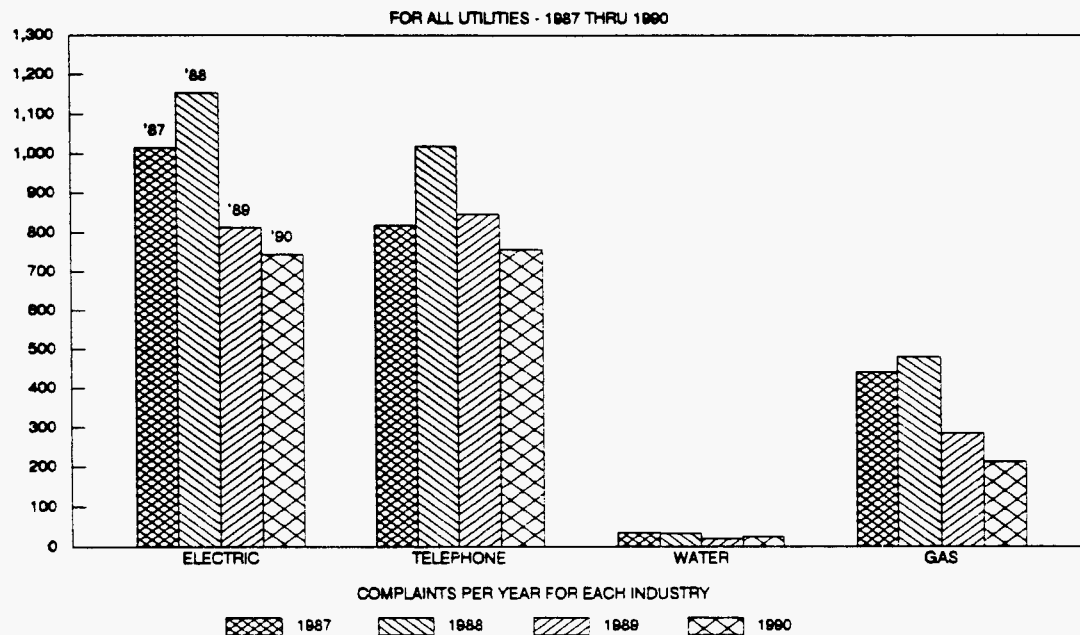


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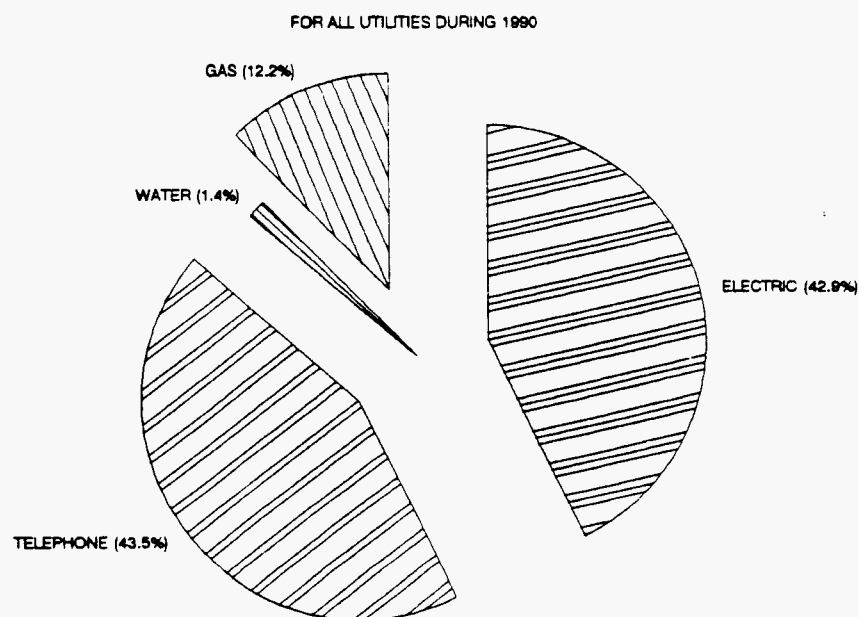
Commission Review of Utility Operations

The first chart on this page shows the trend of total complaints by utility industry for the years 1987 through 1990. The second chart shows the share of complaints by industry for 1990.

TREND OF COMPLAINTS BY UTILITY INDUSTRY



TOTAL CONSUMER COMPLAINTS



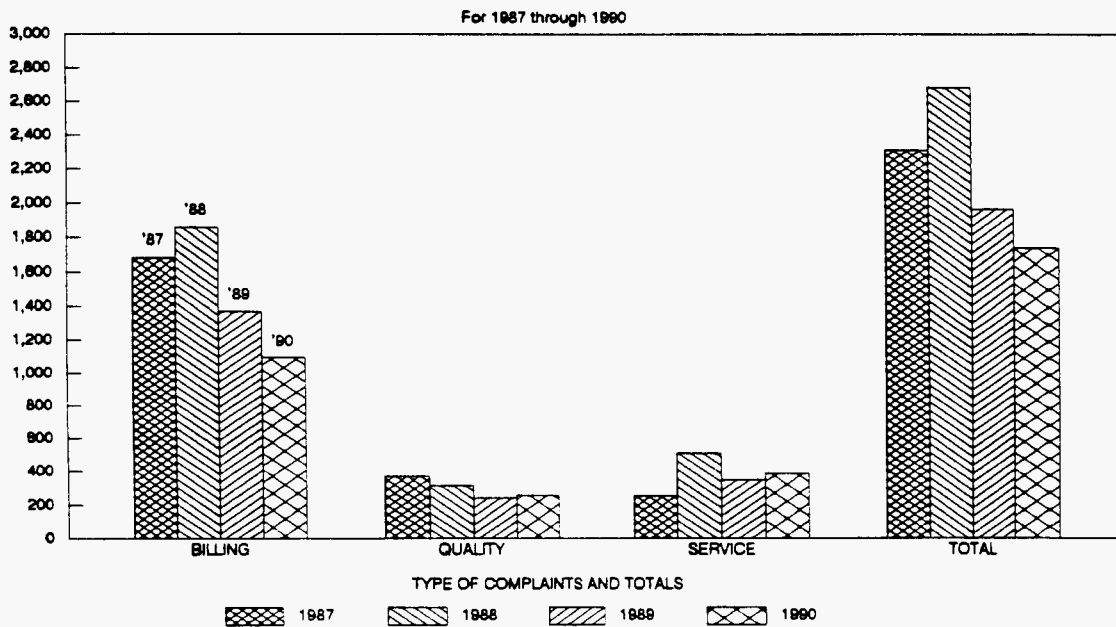
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The first chart on this page separates the complaint totals by type of complaint (rather than by industry) for 1987-1990. Complaints are categorized as Billing, Quality (of service), and (new and changed) Service (applications).

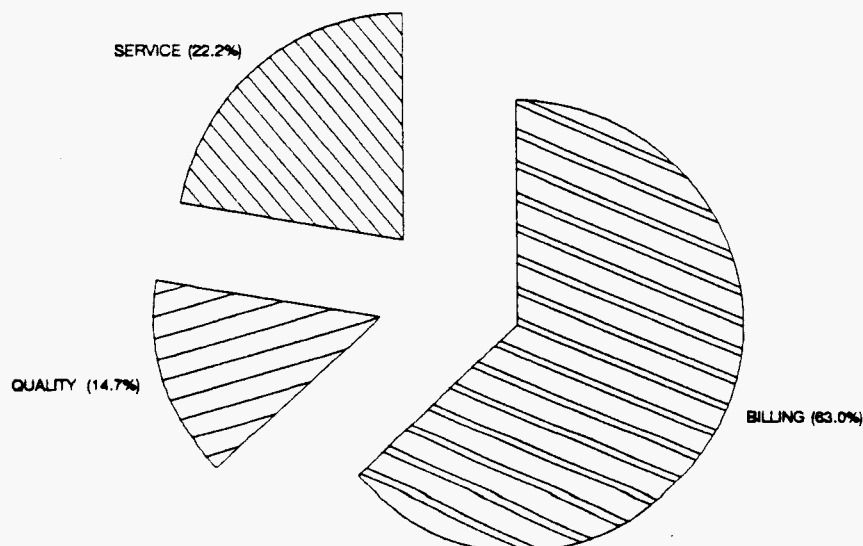
The second chart on this page presents the ratio of complaints by category for 1990.

TOTAL COMPLAINTS BY COMPLAINT TYPE



TOTAL COMPLAINTS BY COMPLAINT TYPE

ALL UTILITIES DURING THE YEAR OF 1990



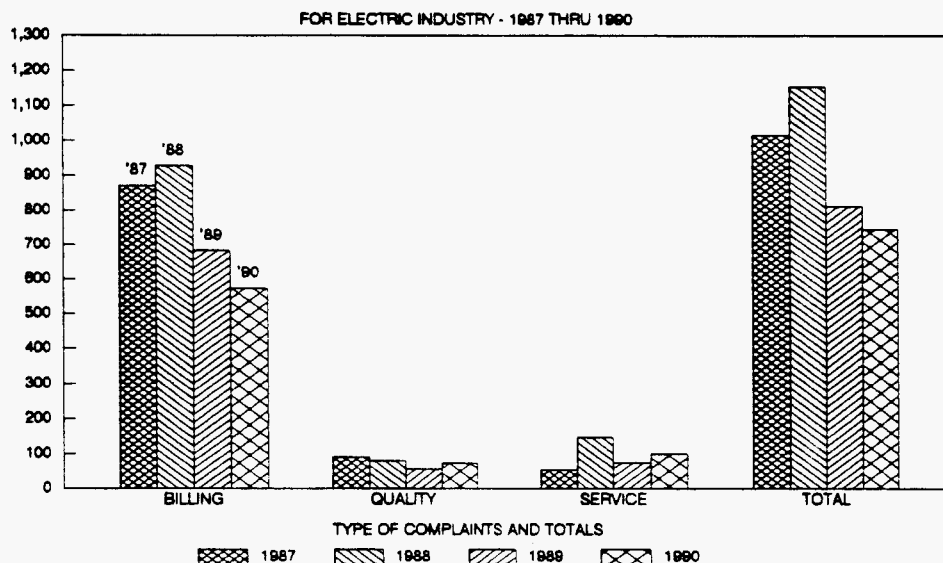
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The charts on the following four pages separate complaint data into the electric, telephone, water, and gas industry groups and present the ratio of complaints by category for each industry.

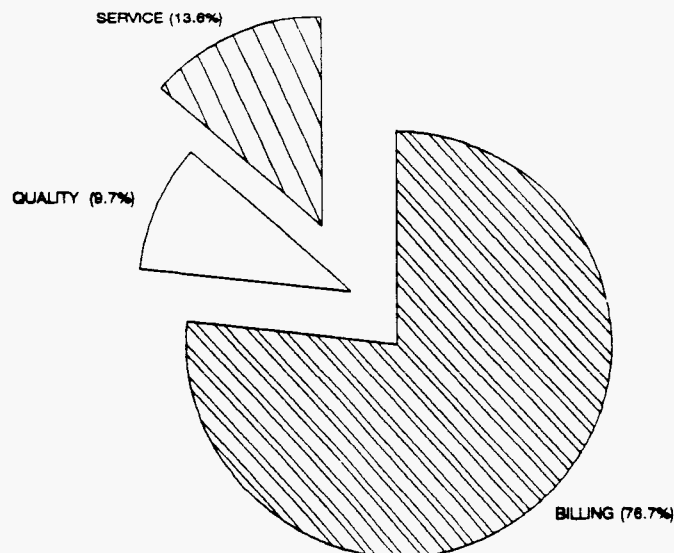
ELECTRIC COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE



TYPE OF ELECTRIC UTILITY COMPLAINTS

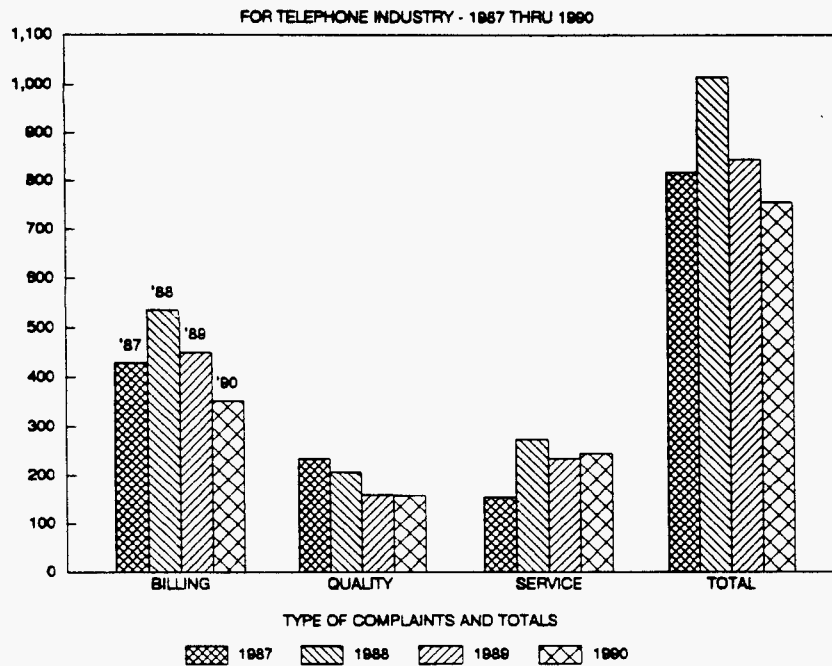
DURING THE YEAR OF 1990



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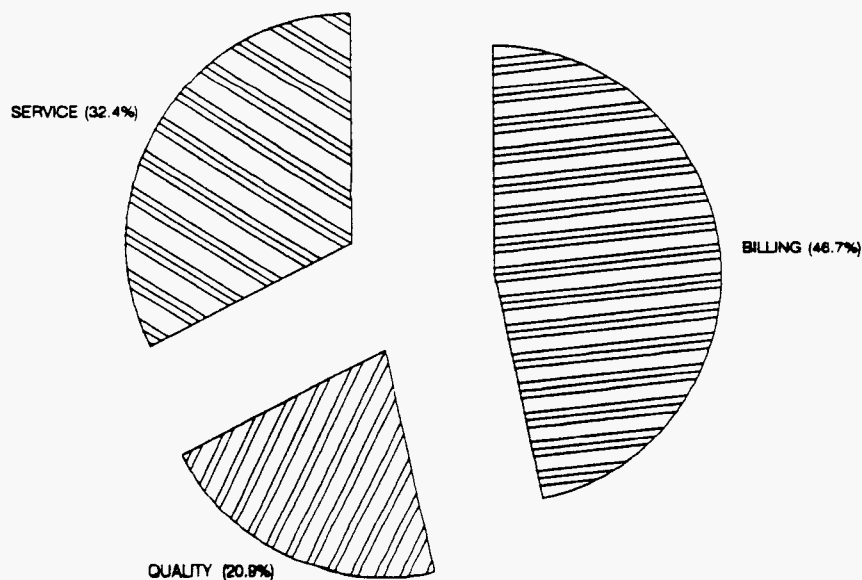
TELEPHONE COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE



TYPE OF TELEPHONE UTILITY COMPLAINTS

DURING THE YEAR OF 1990

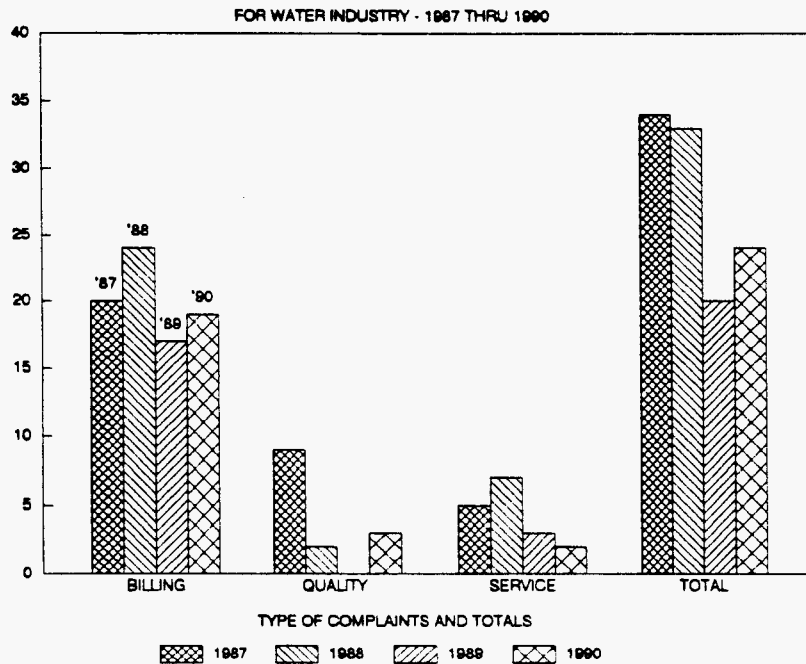


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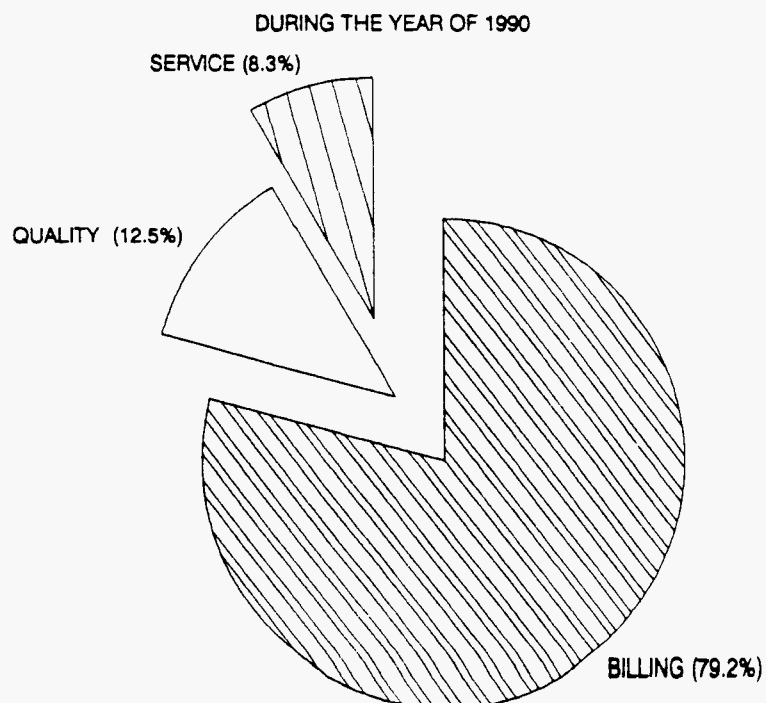
Commission Review of Utility Operations

WATER COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE



TYPE OF WATER UTILITY COMPLAINTS

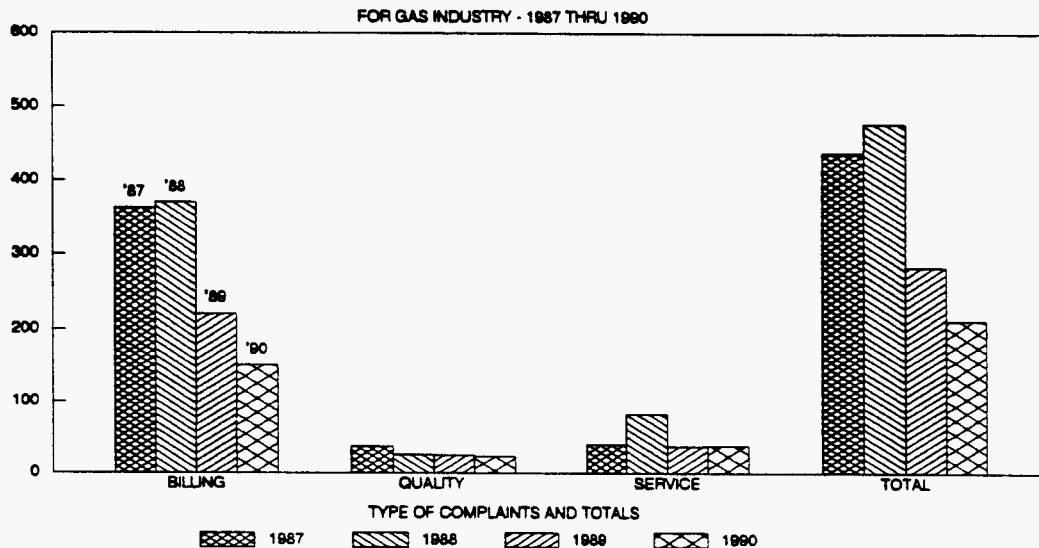


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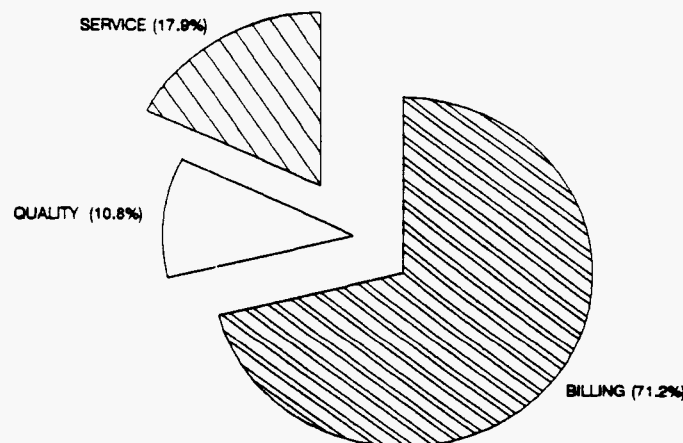
GAS COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE



TYPE OF GAS UTILITY COMPLAINTS

DURING THE YEAR OF 1990



Though it is the current experience of the Consumer Services Office that many billing and quality of service complaints require increasing research and investigation to resolve, a review of the data displays that the trend of these and total complaints is downward.

A comparison of the different utility industry data shows the above mentioned annual reduction of total complaints. Without exception, billing complaints

continue to be the greater portion of each utility's consumer complaints. Further, there is a noticeable difference in the 1990 ratio of the type of complaints for the telephone industry and the other industries. Comparatively, the ratio of complaints related to the quality of service and obtaining service from telephone utilities is significantly greater than that for electric, water, or gas utilities.

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Commission Review of Utility Operations

**1990 CONSUMER COMPLAINTS FOR ELECTRIC UTILITIES
RATIO OF COMPLAINTS PER 1000 CUSTOMERS
TO INDUSTRY AVERAGE**

Electric Company Name	Complaints To APSC	Arkansas Customers	Complaints Per 1000 Customers	Complaint Ratio To Average
Ark. Elec. Coop. Corp.	0	0	0.00	0
Ark. Power & Light Co.	532	568,211	0.94	1.26
Ark. Valley Elec. Coop.	26	31,039	0.84	1.13
Ashley - Chicot Elec. Coop.	0	3,859	0.00	0.00
C & L Elec. Cooperative	16	16,012	1.00	1.35
Carroll Elec. Coop. Corp.	15	34,861	0.43	0.58
Clay County Elec. Coop. Corp.	4	10,252	0.39	0.53
Craighead Elec. Coop. Corp.	9	21,923	0.41	0.55
Empire District Elec. Co.	1	2,993	0.33	0.45
Farmers Elec. Coop. Corp.	0	4,988	0.00	0.00
First Elec. Coop. Corp.	42	45,601	0.92	1.24
Mississippi County Elec. Coop., Inc.	2	3,432	0.58	0.78
North Arkansas Elec. Coop., Inc.	4	22,556	0.18	0.24
Oklahoma Gas and Elec. Co.	24	54,662	0.44	0.59
Ouachita Elec. Coop. Corp.	3	8,419	0.36	0.48
Ozarks Elec. Coop. Corp.	16	25,615	0.62	0.84
Petit Jean Elec. Coop. Corp.	4	13,802	0.29	0.39
Riceland Elec. Coop., Inc.	3	3,430	0.87	1.18
Rich Mountain Elec. Coop., Inc.	4	5,408	0.74	1.00
South Central Ark. Elec. Coop.	6	7,790	0.77	1.04
Southwest Ark. Elec. Coop. Corp.	8	19,959	0.40	0.54
Southwestern Elec. Power Co.	22	88,848	0.27	0.37
Woodruff Elec. Coop. Corp.	3	16,420	0.18	0.25
TOTALS AND AVERAGE	744	1,002,080	0.74	1.00

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1990 CONSUMER COMPLAINTS FOR GAS UTILITIES RATIO OF COMPLAINTS PER 1000 CUSTOMERS TO INDUSTRY AVERAGE

Gas Utility Company Name	Complaints To APSC	Arkansas Customers	Complaints Per 1000 Customers	Complaint Ratio To Average
Ark. Louisiana Gas Co.	175	405,433	0.43	1.12
Ark. Oklahoma Gas Corp.	8	39,116	0.20	0.53
Ark. Western Gas Co. (Includes Asso. Natural Gas Co.)	26	101,192	0.26	0.67
Louisiana - Nevada Transit Co.	0	1,605	0.00	0.00
Mansfield Gas, Inc.	1	679	1.47	3.82
Union Gas Company of Ark.	2	2,187	0.91	2.37
TOTALS AND AVERAGE	212	550,212	0.39	1.00

1990 CONSUMER COMPLAINTS OF WATER UTILITIES RATIO OF COMPLAINTS PER 1000 CUSTOMERS TO INDUSTRY AVERAGE

Water Utility Company Name	Complaints To APSC	Arkansas Customers	Complaints Per 1000 Customers	Complaint Ratio To Average
General Waterworks Corp. Pine Bluff	24	20,194	1.19	1.03
Shumaker Public Service Corp. [Water]	0	534	0	0.00
TOTALS AND AVERAGE	24	20,728	1.16	1.00

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Commission Review of Utility Operations

1990 CONSUMER COMPLAINTS FOR TELEPHONE UTILITIES RATIO OF COMPLAINTS PER 1000 CUSTOMERS TO INDUSTRY AVERAGE

Telephone Company Name	Complaints To APSC	Arkansas Customers	Complaints Per 1000 Customers	Complaint Ratio To Average
Alltel Ark., Inc.	61	72,611	0.84	1.17
Ark. Tele. Co., Inc.	2	5,733	0.35	0.49
Caddoan Tele. Co.	0	8,519	0.00	0.00
Central Ark. Tele. Coop.	2	2,213	0.90	1.26
Cleveland County Tele. Co.	3	2,430	1.23	1.72
Contel Tele. Co. of Ark.	53	73,402	0.72	1.01
Contel Tele. Co. of Mo.	0	954	0.00	0.00
Contel Tele. Co. of Ks.	0	15,539	0.00	0.00
Decatur Tele. Co., Inc.	0	753	0.00	0.00
E. Ritter Tele. Co.	2	3,927	0.51	0.71
General Tele. Co. of the SW	54	80,574	0.67	0.93
Lavaca Tele. Co.	1	1,172	0.85	1.19
Liberty Tele. and Comm. Co.	14	13,657	1.03	1.45
Madison County Tele. Co.	3	2,635	1.14	1.59
Magazine Tele. Co.	0	809	0.00	0.00
Mountain Home Tele. Co.	12	14,902	0.81	1.12
Mountain View Tele. Co.	5	4,600	1.09	1.51
Northern Ark. Tele. Co.	20	4,941	4.05	5.64
Perco Tele. Co.	2	3,125	0.64	0.89
Prairie Grove Tele. Co.	0	6,417	0.00	0.00
Redfield Tele. Co.	0	1,318	0.00	0.00
Rice Belt Tele. Co.	1	1,070	0.93	1.30
South Ark. Tele. Co.	2	3,282	0.61	0.85
Southwest Ark. Tele. Coop.	0	4,044	0.00	0.00
Southwestern Bell Tele. Co.	455	723,727	0.63	0.88
Tri-County Tele. Co.	3	4,781	0.63	0.87
Union Tele. Co.	2	1,110	1.80	2.51
Walnut Hill Tele. Co.	5	4,467	1.12	1.56
Yelcot Tele. Co.	8	2,669	3.00	4.17
Yell County Tele. Co.	10	4,042	2.47	3.45
All Long Distance Carriers (AT&T, MCI, Sprint, Etc.)	36	N/A	N/A	N/A
TOTALS	756	1,069,423	0.71	1.00

Section 13.

Commission Review of Utility Operations

B. Consumer Services Review of Compliance With PSC General Service Rules

The Consumer Services Staff periodically reviews the number and character of consumer complaints the Commission receives to identify possible trends for a particular company or industry. Based on this review, the Staff performs focused inspections to ensure compliance with the Commission's General Service Rules. During 1990, the Consumer Services Staff performed investigations of eight companies: three electric, two natural gas, two telephone

and one water. Two of these audits were performed in conjunction with Staff investigations of rate case applications. In each case, some type of corrective action was taken in response to the Staff's findings and recommendations. The Consumer Services Staff participated in eight dockets during 1990, which addressed compliance with the Commission's General Service Rules, and also participated in reviewing and proposing revisions to those Rules.

C. Gas Pipeline Safety Inspections and Investigations

Each year, the Pipeline Safety Staff inspects numerous intra-state natural gas operators and master metered gas systems for quality control of gas leakage, operating safety conditions, and the control of corrosion. The inspections ensure that gas operators are in compliance with the Arkansas Gas Pipeline Code and the Commission's Special Rules - Gas.

Accidents related to natural gas are investigated and reports are prepared to ensure compliance with all Commission standards of quality and safety.

During 1990, the Gas Pipeline Safety Staff performed 66 pipeline safety inspections, 13 inspections of pipeline operators, 117 inspections of master metered systems and operators, and investigated 16 gas related accidents.

D. Quality of Service Inspections and Investigations

The Quality of Service Electrical, Telecommunications, and Water Staff each conduct periodic inspections of operating procedures and utility facilities to ensure that ratepayers receive adequate, continuous, and safe service from their utilities. Reports of the inspections and evaluations are prepared and presented to each utility based upon the Special Rules for Electric, Telecommunications, and Water utilities. Corrections of

reported deficiencies are monitored by the Staff until completed.

In addition to routine scheduled inspections, the Staff investigates any unresolved consumer complaints of inadequate service quality.

During 1990, the Staff finished periodic inspections of 7 utility companies at 79 locations and participated in 58 investigations of complaints related to electric, telephone, and water service quality.

Section 13.

Commission Review of Utility Operations

E. Compliance Audits

■ Compliance audits are performed to investigate utility costs subject to adjustment clauses. The purpose of these audits is to ensure that adjustment amounts and their recovery are in compliance with company tariffs as approved by the Commission. During 1990, the Staff

completed audits of various adjustment clauses for nineteen utilities. Staff's investigations resulted in refunds to Arkansas customers of approximately \$243,000. At year end 1990, audits of two utilities were in the final stages of completion and audits of three utilities were in progress.

Section 14. Other Commission Activities

SPECIAL PROJECTS

Petition Procedure

This project began in response to language in Act 952 which requires the Arkansas Public Service Commission to adopt regulations governing the petition process. Under Act 952, water or sewer companies which are Class C or lower may petition the Commission to be included in the definition of "public utility". Staff is currently developing a petition procedure in response to the Act's requirement.

Federal Legislative Review

On a continuing basis, the Commission monitors, reviews, and analyzes pieces of proposed federal legislation which have utility rate implications. The Commission performs this function either on its own initiative or at the request of the Director of Congressional Relations of the National Association of Regulatory Utility Commissioners.

With the assistance of the technical Staff of the Research and Policy Development Section, the Commission prepares correspondence to the Congressional delegation addressing significant issues. During 1990, issues addressed included Acid Rain; Global Warming; Nuclear Waste Disposal; Public Utility Regulatory Policies Act (PURPA) reform; Public Utility Holding Company Act (PUHCA) reform; and the Coal Royalty Fee issue. Telecommunications issues that were addressed during the year included the Americans with Disabilities Act; the Telephone Operator Consumer Services Improvement Act of 1990; the impact of price cap regulation on basic

services; complaints regarding "slamming"; and amending the Modified Final Judgement.

Regional Least-Cost Planning Workshop

On April 9 - 10, 1990, the Arkansas Public Service Commission hosted the Southeast Regional Training Workshop on Least-Cost Planning, sponsored by the National Association of Regulatory Utility Commissioners (NARUC). The 150 participants represented federal and state regulatory agencies, electric and gas utilities, consumer advocacy groups, and industry trade groups throughout the southeast region. Participants heard panel discussions on such topics as the rationale for least-cost planning; approaches to least-cost planning; steps in the least-cost planning process; the role of financial incentives in the process; and costs and benefits associated with least-cost planning.

Clean Air Act Amendments Of 1990

The Clean Air Act Amendments of 1990 were signed into law by President Bush after more than a decade of attempts to impose further restrictions on emissions from fossil-fuel-fired electric power plants. The Acid Rain Title of this legislation is designed to permanently reduce and place a limit on nationwide emissions of sulphur dioxide and nitrous oxide by the year 2000. The two-phase compliance plan will occur from 1995 - 2000.

Section 14. Other Commission Activities

Earlier versions of this legislation could have required the installation of "scrubbers" at the Independence, White Bluff, and Flint Creek Steam Electric Stations costing Arkansas ratepayers more than \$500 million. The final version, however, contained greater flexibility in how allowed emissions would be calculated, and, hence, does not necessitate the installation of scrubbers.

The cornerstone of the bill is the creation of a market-based emissions allowance trading system to be administered by the Environmental Protection Agency (EPA) as an offset to the emissions cap. Once EPA calculates and assigns emissions allowances to each power plant, those allowances will be available for use or sale by the utility holding them. Also, the EPA will reserve some allowances for conducting an annual auction to make allowances available for both utilities and non-utilities which cannot obtain them.

The EPA has formed an Acid Rain Advisory Committee, consisting of regulators, utility representatives, consumer groups, and industrial customer representatives, to assist in the development of new regulations within the eighteen month deadline. The APSC will continue to monitor the activities of the EPA as the regulations are developed.

National Energy Strategy

After eighteen months of regional hearings and draft reports, the Department of Energy (DOE) will be presenting its final set of options for a National Energy Strategy to President Bush in January 1991. The primary goal of this strategy is to make the United States

energy independent. The APSC has been analyzing the implications of the DOE's Interim Report on electric and gas utilities in the following areas: energy conservation; demand-side management; fuel switching; least-cost planning; renewable energy sources; alternative fuels; Public Utility Holding Company Act reform; and Public Utility Regulatory Policies Act reform.

Public Utility Regulatory Policies Act (PURPA)

A comprehensive amendment to PURPA was proposed in the form of Global Warming, or Greenhouse, legislation in 1990. The amendment was designed to reduce carbon dioxide emissions from utility power plants and industrial sources. PURPA was first enacted in 1978 to broaden the power of the Federal Energy Regulatory Commission (FERC) and to encourage independence from foreign oil.

Although the comprehensive version was not enacted, a bill amending PURPA to remove size limitations for four years for qualifying facilities using renewable energy sources, such as wind, solar, geothermal, and waste facilities, was enacted to further encourage the development of those facilities. During 1991, the APSC will continue to monitor legislation to amend PURPA for implications for Arkansas ratepayers.

FASB 96 - Accounting For Income Taxes

Although the implementation date of FASB 96, Accounting for Income Taxes, has been delayed, the potential effect of

Section 14. Other Commission Activities

this statement continues to be a concern in Arkansas. Our understanding of the FASB 96 transition from the deferral method of accounting to the liability method of accounting is that there will not be any refundable excess deferred taxes created.

The excess deferred taxes segregated by a restatement of the depreciation method related deferred tax reserves are still protected by Sec. 203(e) of the Internal Revenue Code and will only appear separately for financial reporting purposes. However, the potential of FASB 96 to enable the identification of previously unidentified excess deferred tax reserves which could be available for refund has not been overlooked.

Comments on FASB 96 issues have been filed by the APSC in FCC Docket No. CC 89-360, however, activity in this Docket has been delayed as a result of the delay in the implementation of the FASB 96 statement itself.

Other FASB Pronouncements

On a continuous basis, The APSC evaluates the possible utility rate implications implicit in other FASB pronouncements. Several recent FASB developments have required extensive research in an effort to deter future rate increases. First, the FASB issued two Statements dealing with employers' accounting for pensions: 1) FASB No. 87, Employers' Accounting for Pensions; and, 2) Statement No. 88, Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits. Second, in February 1989, the FASB issued an Exposure Draft on Employers'

Accounting for Postretirement Benefits Other than Pensions. The above Statements, and especially the Statement applicable to retirement benefits other than pensions, are expected to have a very significant impact on the financial statements of many companies including regulated utilities.

The new Statements applicable to pensions and benefits essentially require a shift from cash basis accounting to an accrual basis accounting methodology. The APSC Research and Policy Development Section is conducting research on these issues and has prepared a research paper for the benefit of the Commission.

Public Utility Holding Company Act (PUHCA)

Although legislation to amend PUHCA was introduced, but not passed, by Congress in 1990, it is certain to be re-introduced in 1991. The APSC is evaluating the possible implications this "reform" will have for Arkansas ratepayers in such areas as the formation of Exempt Wholesale Generators (EWGs) to allow electric utility holding companies to enter into independent power production, prudence review of wholesale power purchases, allocation of capacity through holding company system agreements, and, possibly, regional regulation.

National Transmission Survey

The NARUC Subcommittee on Electricity performed a survey of the electricity transmission system under the jurisdiction of state PSCs in order to provide a database for evaluating the report of the Federal Energy Regulatory

Section 14. Other Commission Activities

Commission's Task Force on Transmission published in November 1989. The APSC provided information on the eight states in the Southwest Power Pool, of which the electric utilities in Arkansas are members. The resulting National Transmission Survey was completed and submitted to the NARUC Committee on Electricity in September 1990 to be used in the consideration of policy on federal/state jurisdictional issues for open access to electricity transmission.

Rural Electrification Administration (REA) Rulemakings

In 1990, the REA issued three Notices of Proposed Rulemaking (NOPRs) on which the APSC filed Comments in opposition: "Federal Preemption in Rate Making in Connection With Power Supply Borrowers"; "Federal Preemption in Rate Making in Connection With REA Electric Borrowers in Bankruptcy"; and "Wholesale Contracts for the Purchase and Sale of Electric Power and Energy." The first two of these NOPRs became federal regulations in September 1990, but the third is still pending. The federal preemption regulation concerning power supply borrowers allows the REA Administrator, in his sole discretion, to preempt the authority of state public service commissions to set the rates of generation and transmission cooperatives (G&Ts) high enough to cover all REA or REA-guaranteed debt payments. Hence, this regulation undermines the authority of the remaining eleven states, including Arkansas, which regulate the rates of G&T cooperatives, including the authority to disallow imprudently incurred costs. The

federal preemption regulation concerning bankruptcy allows the REA Administrator, in his sole discretion, to preempt the authority of state public service commissions to set the rates of electric cooperatives in or near bankruptcy high enough to cover REA debt payments. These two regulations, as well as the third proposed rule, are part of a comprehensive rulemaking program embarked upon by REA to prevent default on its loans by electric cooperative borrowers. The proposed rule concerning wholesale contracts would create a take-or-pay contract between the G&T cooperative and its member distribution cooperatives obligating them to pay for all power plants built with REA funds regardless of the availability of power from said plants.

U.S. Internal Revenue Service Notice Of Proposed Rulemaking On Consolidated Tax Savings Adjustments

The IRS has recently released proposed regulations regarding the application of the normalization requirements of the Internal Revenue Code to companies filing consolidated tax returns. The proposed regulations prohibit adjusting a utility's ratemaking tax expense, either current or deferred, by a "consolidated tax savings adjustment" or through the use of an effective tax rate. In effect, a utility's ratemaking tax expense must be determined on a stand alone basis as though it filed a separate return without consideration of the losses of affiliates.

The proposed regulations do allow a rate base reduction for the cumulative net tax savings or treating the net tax savings as zero-cost capital in determining rate of

Section 14. Other Commission Activities

return. The technical staff of the APSC Research and Policy Development Section is currently researching the implications of the proposed rules on Arkansas utilities.

NARUC Gas Conference

The Arkansas Public Service Commission will host a NARUC Natural Gas Conference to be held in Little Rock in October of 1991. The focus of past conferences has been the training of new state regulators. The 1989 conference was hosted by the California Commission in Santa Clara, California.

Relay Services For The Hearing And Speech Impaired

The Congress, in 1990, passed the Americans with Disabilities Act. This act mandates the implementation of an interstate telecommunications relay service for the hearing and speech impaired. Staff has been monitoring these legislative activities to ensure that states' rights are not preempted and compatible interstate and intrastate standards are developed.

410 (b) Federal-State Joint Conference On Open Network Architecture

The Research and Policy Development Section has been actively participating with representatives from other state public utility commissions and the Federal Communications Commission on the Joint Conference since 1988. The Joint Conference is to

address numerous issues associated with the FCC's concept of Open Network Architecture. Issues discussed by the Joint Conference during 1990 were the appropriate jurisdictional separation of ONA-related costs, the possible development of uniform interstate and intrastate tariff guidelines for basic service elements and basic service arrangements; the ubiquitous deployment of a basic array of ONA services; and how to determine the jurisdiction of an ONA service.

410 (c) 80-286 Federal-State Joint Board

A member of the Research and Policy Development Section has served as a member of the Joint Board since 1989. This Joint Board was established to evaluate and propose changes to the FCC's separation rules. These rules affect the jurisdictional cost allocation procedures used by the telephone companies operating in Arkansas and, as such, have a major impact on the rates Arkansas consumers pay for telecommunications services.

Southwestern Bell Regional Regulatory Group

The Research and Policy Development Section was instrumental in organizing this group of state regulators from Arkansas, Missouri, Texas, Oklahoma, and Kansas. The group was formed to promulgate an open dialogue with Southwestern Bell and other telecommunication providers in the region on both federal and intrastate issues of importance to the industry, regulators, and ratepayers.

Section 14. Other Commission Activities

Link Up America Assistance Program

This Commission established Docket Number 87-144-U to implement the Link Up America Assistance Program. The program makes it less expensive for low income consumers to receive basic telephone service. The Research and Policy Development Section has been the primary administrator of the program for the state since its inception. The Docket has been closed but the Commission continues to administer the program on a daily basis.

Rules Revisions

In 1990, Staff completed its internal review of the General Service Rules and obtained informal comments on its proposed revisions from interested jurisdictional utilities. A final management review of modifications recommended in view of informal industry comments is in process. Staff will later propose that the Commission open a generic docket to consider extensive revisions to the General Service Rules.

In addition to anticipated reviews of the Special Rules for electric, gas and water utilities, Staff expects to begin the internal process of reviewing and proposing revisions to the Commission's Rules of Practice and Procedure. Because revisions to those rules will affect every jurisdictional utility and its ratepayers, it is anticipated that this project will be time consuming and will require an allocation of resources throughout 1991 and into 1992.

FERC Audit Of Arkansas Power & Light Company

The Federal Energy Regulatory Commission is performing a compliance audit of Arkansas Power & Light Company (AP&L) for the period January 1985, through December 1989. Staff responded to requests for information concerning AP&L issues before the APSC and participated in an exit conference concerning FERC's preliminary findings as of January 1990.

Spring Natural Gas Seminar

On March 15-16, 1990, the APSC held a Spring Natural Gas Seminar at the Commission's offices. The seminar addressed the issues of bypass, gas purchasing, competition, and deregulation, rates, and alternatives to traditional regulation. The seminar featured a series of panel discussions involving local distribution companies, interstate pipelines, marketers, producers, and industrial customers with APSC Staff acting as panel moderators.

Survey on Rotation of Patronage Capital Electric Distribution Cooperatives

The Electric Utility Section surveyed all jurisdictional electric distribution cooperatives regarding their policies and experience on retirement and rotation of patronage capital credits assigned to members. All but four reported that their last retirement had been made in 1989, associated with margins assigned as early as 1957 and as late as 1988. Staff computed December 31, 1989, equity for the

Section 14. Other Commission Activities

distribution cooperatives, ranging from 25% to 46%. Review of the rules and mortgage requirements of the Rural Electrification Administration (REA) revealed that REA does not require that capital credits be rotated, but only requires that any retirement made may not exceed 25% of the prior year's margin if the distribution cooperative would have less than 40% equity after paying out the assigned credits to members. There is no Arkansas statute or Arkansas Public Service Commission rule requiring capital credit rotation.

Review of Credit and Collection Practices

Arkansas Power & Light Company

Staff investigated Arkansas Power & Light Company's credit and collection practices, with emphasis on the accounts of Arkansas Public Service Commission (APSC) employees and other state and local officials. The investigation confirmed reports that the Company had suspended collection and disconnect actions for more than eighteen months on the unpaid active account of the state Attorney General in deference to his official position and influence on utility rate regulation. However, Staff found no evidence of any special treatment allowed to other state and local officials, including APSC Commissioners and Staff.

Review of Consumer Loan Program

Arkansas Power & Light Company

Staff investigated the financing program made available by Arkansas Power & Light Company (AP&L) to its employees and to its residential and commercial customers to encourage the installation of heat pumps and associated thermal improvements. Staff reviewed and made recommendations regarding the remedies being undertaken by the Company to correct and prevent abuse of the program by contractors. Staff made other recommendations in the areas of consumer credit investigations, accounting and administrative procedures, interest rates and loan handling costs, and down payments. AP&L was also urged to collect data regarding the savings in power and energy used by program participants in order to justify program costs and to support its least cost planning efforts. The report was transmitted to AP&L in December of 1990.

Analysis of Earnings and Financial Position Electric Cooperatives

The revenue requirement of electric cooperatives is determined on the basis of the Times Interest Earned Ratio (TIER).

Section 14. Other Commission Activities

Staff calculated the actual TIER achieved by each electric cooperative for the year ended December 31, 1989, and compared the results to those of prior years as well to the TIER authorized by the Commission in each cooperative's last rate case. In consideration of the volatility of the earnings of distribution cooperatives due to the effects of weather and wholesale power costs and of other known factors and on-going or anticipated proceedings specific to a particular cooperative, Staff found no need to initiate a rate reduction action in 1990 against any of the electric distribution cooperatives. However, Arkansas Electric Cooperative Corporation, the generation and transmission cooperative, was required to file a cost-of-service study, which became rate review Docket No. 90-096-U.

Recalculation and Analysis of Electric Bills Arkansas Power & Light Company

At the request of individual customers, the Staff in the Electric Utility Section recalculated and verified their billings from Arkansas Power & Light Company. Although no such billings were found to be incorrectly computed, Staff took the opportunity to explain each component and provide enough information to allow the customer to verify his bill. Staff found that some customers could reduce their

bills by selecting or switching optional rate riders and recommended that the customer contact the Company regarding a change in service classification.

Data Collection and Development of a Weather Adjustment Model

This special project was initiated to create a computer model to weather-adjust billing determinants for application in reviewing the weather normalized operations of electric utilities. Historical load data was compiled from a survey of the electric cooperatives to construct normalized kilowatt and kilowatt hour levels using a weatherization model. A software product called Forecast Master Plus is utilized because its data handling routines make data manipulation simple. In addition, the software is sophisticated and flexible enough to do short term forecasting within different statistical techniques.

Arkansas Power & Light Company

Using a revenue requirement model developed by Staff in conjunction with a cost of service study provided by AP&L, Staff monitors the company's revenue requirement on a regular basis. The model allows Staff to make typical Pro Forma adjustments and to adjust other factors such as the rate of return.

Section 15.

National Regulatory Agency Participation

National Association of Regulatory Utility Commissioners

The National Association of Regulatory Utility Commissioners (NARUC) is a quasi-governmental non-profit corporation founded in 1889. NARUC membership is composed of the governmental agencies of the fifty states and the District of Columbia, Puerto Rico, the Virgin Islands, and 10 federal commissions. NARUC's objective is to improve the quality and effectiveness of public regulation of utilities and carriers.

NARUC operates through committees and subcommittees. Those groups advance regulation through study and discussion of the operation and supervision of public utilities and carriers. Through promoting coordinated action by the commissions, the organization serves to protect the public interest.

NARUC has numerous subcommittees which are composed primarily of staff members of the various state commissions. In addition, there are an Executive Committee and standing committees on Administration, Communications, Electricity, Energy Conservation, Finance and Technology, Gas, Transportation, and Water. Appointments to both committees and subcommittees are made by the President of NARUC.

The Arkansas Public Service Commission is an active member of the Mid-America Regulatory Commissioners (MARC) and the Southeastern Association of Regulatory Utility Commissioners (SEARUC). Both MARC and SEARUC are NARUC

affiliate organizations whose members consist of regulatory utility commissioners from states throughout mid-America and the Southeastern region of the country. MARC has 13 member states and SEARUC has 11 member states.

The Arkansas Public Service Commission is currently represented by the following committee and subcommittee assignments:

Sam Bratton - Committee on Finance & Technology

Julius D. Kearney - VP of SEARUC; Committee on Gas

Patricia S. Qualls - Pres. of MARC; Executive Committee; Committee on Electricity; Subcommittee on Strategic Issues

David Slaton - Subcommittee on Administrative Law Judges

Sarah M. Bradshaw - Subcommittee on Law

Jerrell L. Clark - Subcommittee on Executive Directors

Lou Ann Westerfield - Subcommittee on Electricity; Subcommittee on Nuclear Issues - Waste Disposal

Donna Campbell - Subcommittee on Energy Conservation

Mary Rusk - Subcommittee on Computers

Gail Jones - Subcommittee on Gas

David Lewis - Subcommittee on Gas

Russell D. Widmer - Subcommittee on Accounts

Samuel Loudenslager - Subcommittee on Communications

Section 16. Receipts & Disbursements

RECEIPTS

Utility Assessments	\$3,975,235.00
Pipeline Safety Assessments	172,256.00
Annual Filing Fees	5.00
Other Filing Fees	9,750.00
Miscellaneous Fees	51,111.12
Federal Reimbursement	80,038.42
Refund to Expenditure - Prior Year	3,744.61
Refund to Expenditure - Current Year	<u>758.33</u>
 Total Receipts	 \$4,292,898.48
 Less 1.5% Treasury Fees	 (<u>63,125.36</u>)
 Net Deposit	 <u>\$4,229,773.12</u>

DISBURSEMENTS

Regular Salaries	3,005,225.83
Extra Help	4,097.60
Group Insurance	106,715.00
Retirement	299,987.35
Federal Insurance Contributions	223,334.43
FICA-Agency Cost of ARCAP	4,161.31
Career Recognition Payment	5,700.00
Postage	7,625.00
Telephone	10,499.60
Freight	7,620.20
Bank Charges	31.64
Printing by DOC	34.09
Printing by DFA Quick Copy	2,049.04
Advertising & Clipping Service	3,880.26
Film Processing	5,844.35
Building Maintenance	831.20

Section 16. Receipts & Disbursements

Building and Ground Electric	134.24
Furniture & Equipment Maintenance	24,472.60
Public Safety Equipment Maintenance	1,394.32
Vehicle Maintenance	5,646.53
Data Processing Maintenance	39,753.15
Rent of Office Space	179,804.41
Rent of Furniture & Equipment	23,092.90
Rent of Postage Meters	239.00
Repair of Postage Equipment	210.94
Rent of Data Processing Equipment	371.00
Rent of Transportation Equipment	591.90
Rent Not Classified	4,353.97
Meals & Lodging Official Business Intrastate	21,056.97
Meals & Lodging Education	139.30
Conference & Convention Meals & Lodging	440.02
Meals & Lodging Official Business Interstate	36,880.91
Meals & Lodging Education	13,273.65
Meals & Lodging Conference	4,314.27
Mileage Official Business Intrastate	999.58
Conference and Convention Mileage Intrastate	86.25
Mileage Official Business Interstate	962.54
Mileage Education & Training	428.16
Conference and Convention Mileage Interstate	69.00
Common Carrier Official Business Interstate	26,139.72
Common Carrier Education	9,161.44
Common Carrier Conference	3,211.50
Per Diem	13,400.00
Intrastate Reimbursable Meals & Lodging	3,364.43
Mileage	934.50
Common Carrier	1,753.00
Interstate Reimbursable Meals & Lodging	11,366.65
Interstate Mileage	1,150.08
Interstate Common Carrier	3,555.56
Intrastate Official Business	60.01
Intrastate Education & Training	92.00
Interstate Official Business	660.00

Section 16. Receipts & Disbursements

Interstate Education	288.89
Intrastate Conference	103.58
Interstate Travel Non-State Employees	228.65
Administration Fees & Services	93,838.19
Reimbursable Expenditures	7,931.29
Other Administrative Fees	726.00
Engineering & Architectural Fees	686.50
Legal Fees	124,289.15
Legal Fees Reimbursable Expenses	14,581.45
Court Reporter	35,179.43
Court Notary	481.00
Old Year Payment	545.06
Courier Services	1,413.25
Security Services	685.67
Surety & Performance Bonds	400.00
Vehicle Insurance	4,576.00
Building & Contents Insurance	3,248.00
Centrex	71,760.49
Intrastate Official Business	3,925.00
Intrastate Education	4,202.20
Interstate Official Business	32,302.00
Interstate Education	20,100.00
Interstate Conference	4,460.00
Association Dues	7,455.04
Laundry and Uniform Service	106.20
Contract Labor	237.10
Vehicle License	163.00
Tires & Tubes	203.29
Credit Card Purchases	8,122.85
Stationery & Office Supplies	48,627.57
Photo Supplies	731.63
Clothing & Other Materials	865.67
Subscriptions & Publications	34,907.28
Food Stuffs	63.00
Catering	553.04
Kitchen/Janitor Supplies	165.61

Section 16. Receipts & Disbursements

Data Processing Supplies	8,347.28
Purchase of Data Processing Software	150.85
Sales & Use Tax	275.90
IRS Penalties	56.13
Workers Compensation Premium Tax	2,749.29
Workers Compensation Contributions	834.71
License & Permits	<u>70.50</u>

Total Operating Expenses	\$4,665,039.14
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CAPITAL EXPENDITURES

Cars	967.36
Office Machines	2,021.94
Office Furniture	6,977.24
Photographic Equipment	706.82
Data Processing Equipment	39,309.63
Specialized Research Equipment	<u>447.17</u>

Total Capital Expenditures	\$50,430.16
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Total Disbursements	<u>\$4,715,469.30</u>
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Deposits Over Disbursements	<u>(\$485,696.18)</u>
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Fund Balance December 31, 1990	\$5,707,865.23
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